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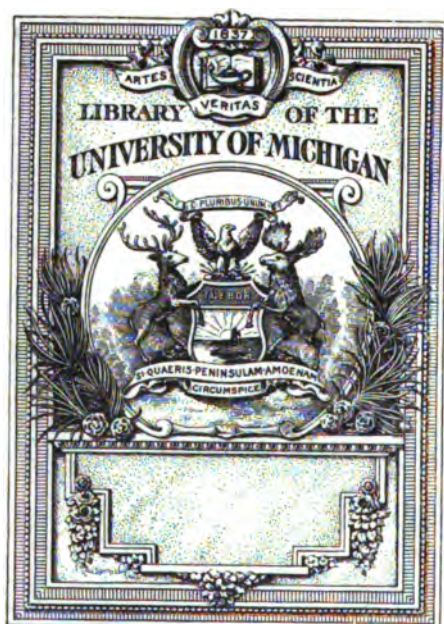
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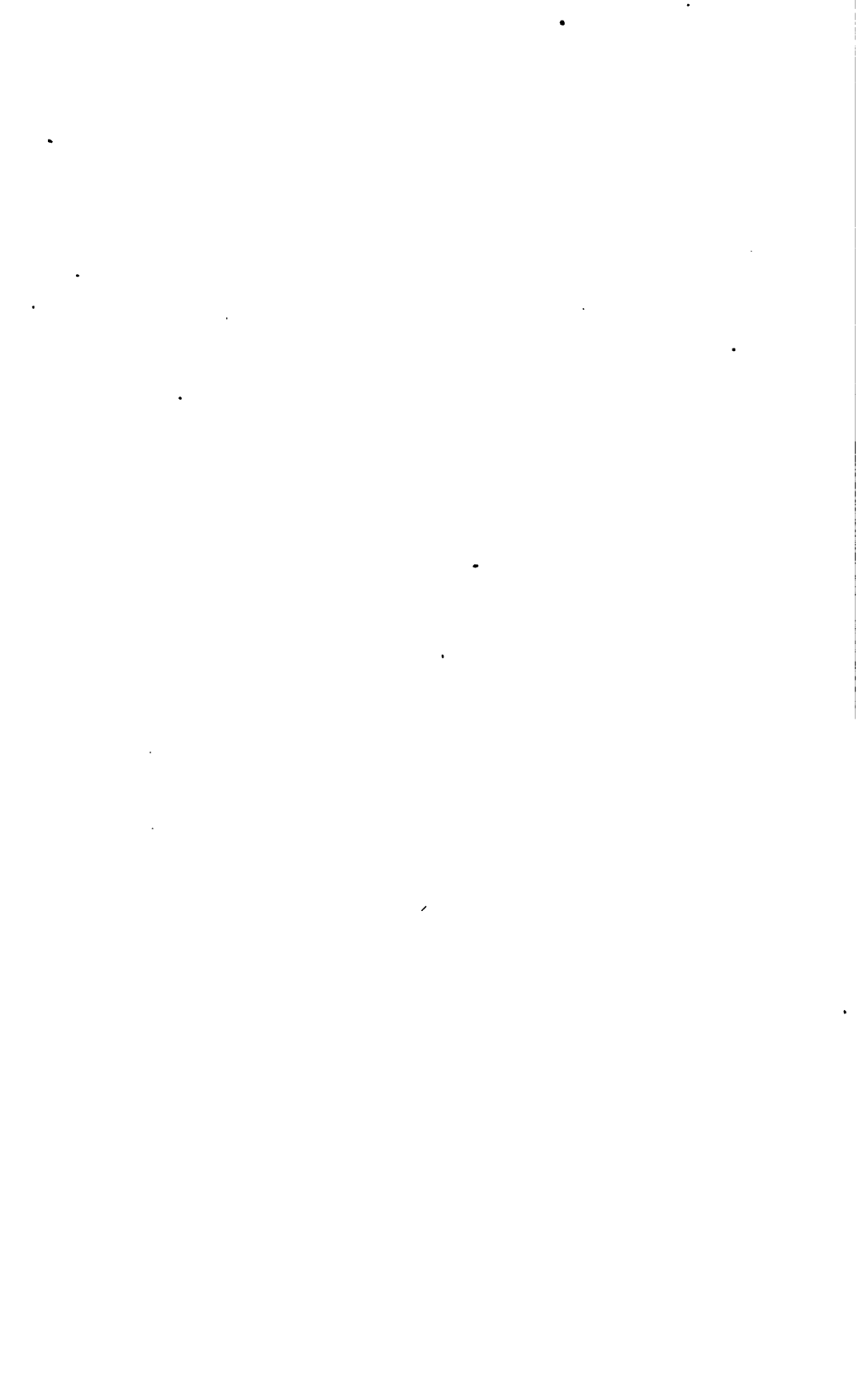
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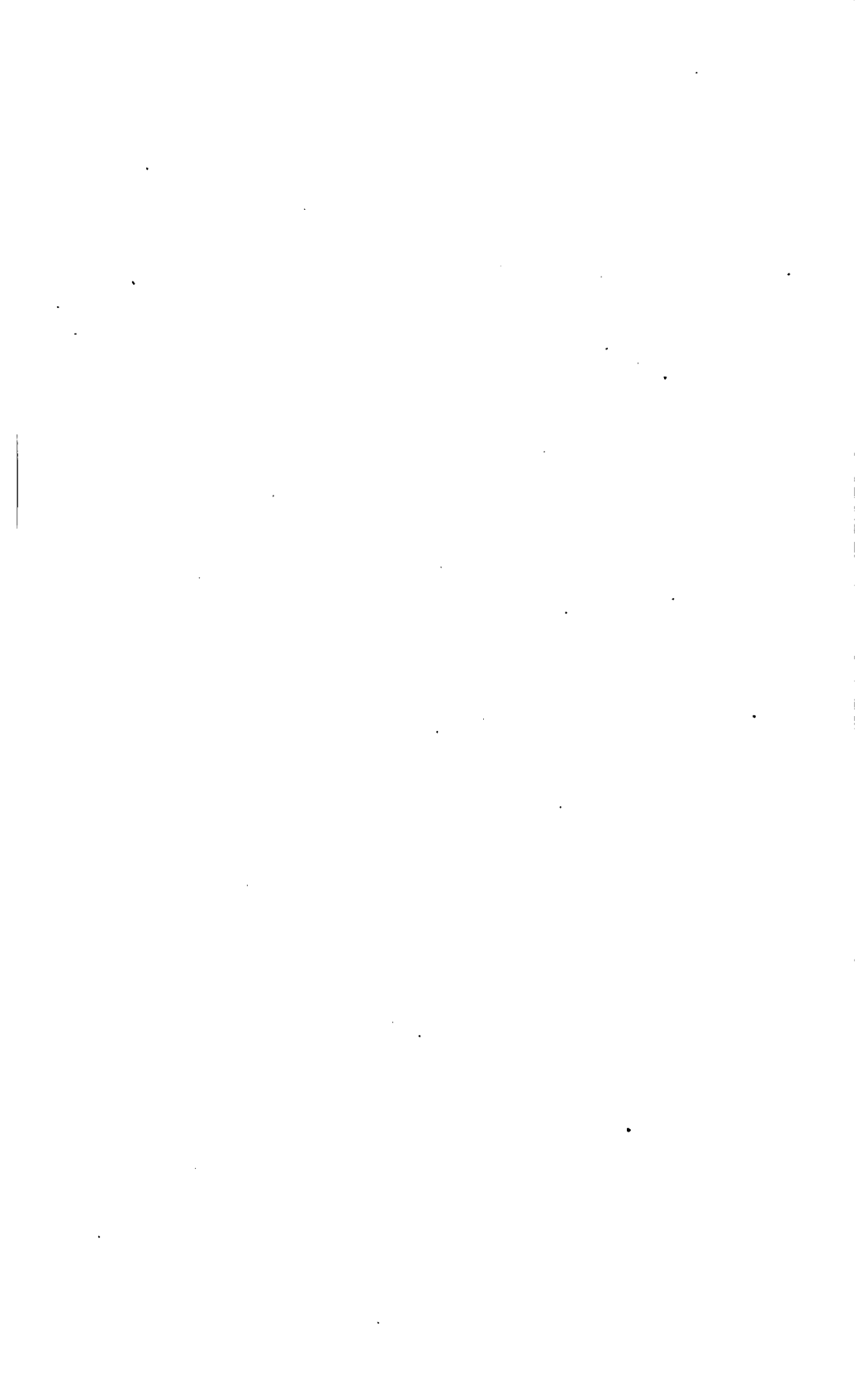
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UNITED STATES CONSULAR REPORTS.

REPORTS

36195

FROM THE

CONSULS OF THE UNITED STATES

ON THE

COMMERCE, MANUFACTURES, ETC.,

OF THEIR

CONSULAR DISTRICTS.

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CONSULAR REPORTS

ON

COMMERCE, MANUFACTURES, ETC.

No. 42.—JUNE, 1884.

INDUSTRIES AND COMMERCIAL MACHINERY OF THE UNITED STATES.

REPORT BY CONSUL MASON, OF MARSEILLES, TRANSMITTING THE TEXT OF A LECTURE DELIVERED BY M. LOURDELET, VICE-PRESIDENT OF THE SOCIETY OF COMMERCIAL GEOGRAPHY, AT PARIS, ON THE "VARIOUS INDUSTRIES AND COMMERCIAL MACHINERY OF THE UNITED STATES."

In a report to the Department some months ago (page 542, No. 22, of Consular Reports) the undersigned had the honor to submit a synopsis, including translations, of various extracts from the notable pamphlet of Dr. Alexander Peez, member of the Imperial Council of Austria, in which that eminent economist set forth with extraordinary clearness and force the vital changes that had been wrought in the agricultural, industrial, and commercial economy of European nations by the cheap and plentiful meats and breadstuffs, and the unsurpassed excellence of certain manufactured products of the United States.

After dilating upon the unrivaled wealth-producing capacity of the American people, and comparing the influence of American food products upon European agriculture with the revolution in values which was caused during the sixteenth century by the wholesale influx of precious metals from the Spanish-American colonies, the learned doctor concluded that there was no recourse for European agriculture but an adoption of American energy and business methods. "With a drop of American blood," said he, "we must inoculate the States of the Old World."

A striking and significant echo of this warning appeal comes now from France. At a recent meeting of the "Society of Commercial Geography," at Paris, there was presented by M. Lourdelet, vice-president of the society, an address having for its title "Various Industries and Commercial Machinery of the United States."

The acknowledged eminence of the speaker, his long practical business experience, and the fact that France is now suffering from a critical depression in her manufacturing and commercial interests combined to invest this address with an unusual importance, and it has been given the place of honor in the March issue of the official bulletin published by the society.

M. Lourdelet, as above indicated, is no mere *doctinaire*, who constructs theories and conclusions from facts obtained at second hand. He has not only had a prosperous business career at home, but he has repeatedly visited and traveled over the United States, and is enabled to state clearly and vividly what he has actually seen and heard. His address is so frank and candid, his facts and conclusions are so creditable to the American people, and withal so timely and pertinent to the best interests of France, that they are herewith translated entire:

M. LOURDELET'S ADDRESS.

The subject of the United States is one which relates in a manner very directly and sensitively to the question which at this moment preoccupies public opinion. I refer to the industrial crisis. It is therefore of immediate public interest.

In the first place, let us ask this question: Is there an industrial crisis?

To answer this I must place myself at two stand-points: (1) The crisis in the building industry, and (2) the crisis in the industries of art, of domestic production, and of export.

I need not stop to discuss the first of these points: "Is there a crisis in the industry of building," geography having nothing to do with that subject. But concerning the second topic, the situation of the industries of art, of supply, and export, I can say that there is not merely a crisis but a general upheaval, a complete overthrow of the economic balance of the world.

If we, merchants of all grades, had attended one and all to the geographical transformations; if we had paid more attention to the new agencies, telegraphic, maritime, &c., that have been created, we should have discovered that there exists in America a great republic; that this republic is of the most prosperous, and that its growth surpasses anything that has ever been seen hitherto; that republic is the United States. What then is the phenomenon that has taken place in the United States?

This republic, which has been in existence scarcely one hundred years, was certainly for France an important commercial outlet. To-day it is for us not only a very limited outlet, but the most serious fact is that the Americans, who were formerly great consumers, have become great producers. Not only are they able to supply in part their own wants, but they are coming to challenge us in supplying the different markets of the world.

Here, then, is the proposition concisely stated: There is an economical upheaval, and I attribute it in a great measure to the preponderant rôle which is played by American industry. In order to best illustrate the importance of this I now propose to give you, ladies and gentlemen, an account of my journey and my observations in the six principal cities of the United States, where I was two months ago.

We will commence with New York. New York has an exceptional geographic situation, and its rôle in America is highly important. It may be said to be the key of the commerce of the United States. Its present population is about 2,000,000 inhabitants; the figure given by the census of 1880 was 1,700,000. New York possesses manufactures of all classes. There is largely manufactured there furniture—not as is done in the Faubourg St. Antoine, in small houses with tortuous stairways, in the badly-ventilated little shops, where the light penetrates with difficulty, with tools more or less primitive, but in immense buildings specially provided. Everything, or nearly everything, is done by steam, even the carving, for I have seen the machines which serve to carve the arms and backs of chairs, and when they have to make 100 or 150 chairs they can be assured that each one will be exactly like all the others. In the Faubourg St. Antoine, on the contrary, what a loss of time is there with the carrying to and fro which the material must undergo before it is finally finished.

In the United States, thanks to the use of elevators or "*ascenseurs*," as we call them in France, all this no longer exists. All lumber and other heavy materials are raised and lowered by the use of these apparatuses, and this is true not only of the manufacture of furniture but in all other industries. Everywhere the elevator is employed not only to save time but to lighten the labor and avoid useless fatigue. There are manufactured in New York—and I cite simply the industries which are of recent growth—there are manufactured embroideries, particularly those for upholstery, in such fashion that I, merchant exporter, and, as such familiar with the business in America, I, who exported certain loom-made embroideries which appeared to me to be original, I was surprised when I learned that these embroideries, which I offered at 6 francs per dozen (that is 50 centimes a piece) were manufactured in America and sold at retail for 5 cents (that is 25 centimes) each. This demonstrates that whenever

mechanical machinery is used we are sure to encounter in the United States a serious competitor, immediate and often triumphant.

Ah! but, you say to me, "the French taste." Oh! reassure yourselves; they send to France their agents, their foremen, with instructions to buy, to take the best of our manufactures as patterns, and they have then only to copy them.

The manufacture of silk goods is largely established in New Jersey and at New York. They supply two-thirds of all the plain silks consumed in the country. When I was in the United States, several years ago, I remarked that the interiors of dwellings were very slightly decorated. The walls were painted in some plain, uniform color, gray or otherwise; the ceilings were without ornamentation, the cornices likewise, and the use of wall paper was almost unknown. To my great surprise, recently, I have noticed the general use of upholstery, of carpets, of velvets, and the use on the walls of the richest papers and of Cordova leather. The greater part of the designs being absolutely unknown to me, I thought that these articles were derived from England or Germany. Not at all; they were of American manufacture. The taste for household decoration having developed rapidly during the past two years, the Americans did not hesitate to send to Europe their mechanics and engineers to sketch the plans of the newest machines and, perfecting the last improvements, they have reproduced in a manner quite remarkable the most beautiful wall papers, the rarest Cordovan leathers, and the richest upholstery.

The industry of bronze art is essentially French; I had almost said Parisian. With the exception, however, of some very beautiful bronzes, which were made in Italy, "*à cire perdue*," by a special process, the bronze art of France is absolutely unrivaled. I have often wondered why our French bronze-makers were losing their prosperity and suffering greater and greater difficulties, and I have found the reason in America, while visiting a manufactory of bronze art in New York.

How is the manufacture of bronze managed in Paris? It is divided between a half dozen groups of operatives—the molders, the finishers, the chisellers, the bronzers, the gilders, the silverers, the marble workers—and the work is finished finally at the shop of the person who calls himself a "bronze manufacturer." There results from this division of labor a great loss of time; and, moreover, when one group of workmen strikes—as happens frequently in our time—the other operatives are obliged to suspend work.

Well, how do the American manufacturers manage it? They are assembled in the same building—the molder, the finisher, the chiseler, the bronzer, the gilder, the silverer, and even the workmen in wrought iron—and when at the end of a certain time, several months, perhaps, the designers are fatigued by their efforts of creation—for in that country it is necessary to create rapidly and without cessation, all going on in a rapid manner—their employers say to them, "You are weary, my friend; go to Europe. We will open for you a credit of \$500, \$800, or \$1,000. Go and see what is going on abroad; change the course of your ideas; rest your mind while keeping your eyes open and observing." Then these designers, returning after several months' stay in Europe or elsewhere, and being purified in taste and inspired from new sources, produce things, I must say so, which we do not see in France. The taste, perhaps, is not perfect, or the style entirely pure; it is not, perhaps, the best expression of art; but it satisfies the needs of the country; it replaces our products, and, in South America it also finds a market. This is the reason why our bronze industry is depressed the same as that of furniture and other manufactures.

I might continue my list, for I have the documents in my hand, but I must be brief. Still, here is one memorandum about which I wish to say a word, for I see in this assembly a person whom it will especially interest. I wish to speak to you of artificial flowers, the manufacture of which, at New York, has assumed great importance. This industry, which the hand of the Parisian woman has raised to such high perfection that one may say she has poured into it her whole soul, now numbers, in New York, one hundred and forty-one establishments, employing 3,500 operatives, and producing annually an amount of 22,000,000 francs.

You see, ladies and gentlemen, how much the French trade has to consider with this American industry, which develops itself so rapidly, and the facts which I have just mentioned to you fully prove that serious economic modifications have taken place, of which geography, if we had studied it attentively, might have warned us.

There is also made a great deal of jewelry in the United States. There are, I think, at New York two hundred and forty establishments, which employ 8,000 workmen and turn out a product of 40,000,000 francs yearly. At Providence, in the State of Rhode Island, they make especially jewelry and solid silver and plated ware. We suppose when we have named the great house of Christople that there is nothing to compare with it. In respect to taste, yes, I am of this opinion, but in respect to the amount produced, that is another matter. For instance, at Providence there are one hundred and eighty-four manufactories, which employ 3,500 operatives, who produce 30,000,000 francs' worth of goods per annum. There are numerous other cities

of which the limited time at my disposition to-night will not permit me to speak, and where this industry has been largely developed.

We come now to Boston, which has about 400,000 inhabitants. There the development of art industry has made great progress. The city which I knew some years ago is entirely metamorphosed; an entire quarter has been built on a location previously occupied by the sea, which has been since reclaimed from it, and which is to-day most elegant. The architecture of these buildings is varied, bizarre, sometimes, I must confess, in bad taste; but it is none the less curious to look at, and has a marked character of audacious originality. The Bostonians are very proud of their city. They call it the "Athens" of the United States, a title which it merits in a certain degree, for they are greatly interested in developing instruction and a taste for the beautiful. The ladies of Boston, and in general those of America, are at the head of the intellectual and artistic movement. They create schools, which they superintend and support, where the young girls learn even Latin. They are generally learned, and, for a wonder, they are not "blue-stockings." If I have mentioned the American woman, it is because she has a very important influence in the progressive advance of the country, and when I speak to you presently of Cincinnati I shall return to this fact.

The principal industry of Boston is the manufacture of shoes. These are made in great quantities, especially at Lynn, several miles from Boston. Another very important branch of industry is watch-making. In the neighborhood of Boston is a manufactory which employs 870 operatives, and another with 1,050. This last turns out 2,000 watches every week. It sends to one branch house in England its watch movements without the cases. This branch establishment finishes them, and produces 450 cases per day in silver and a still greater number in nickel. There are twelve other factories of the same kind, but of less importance.

Artistic glassware is also made in Boston. I visited one manufactory of this kind, employing 300 workmen, in which were manufactured fancy articles and cut-glass. In the latter specialty they have attained a great perfection. I have brought several specimens of these which I have submitted to the syndicate of ceramics and glassware in order to furnish it with information supported by actual proofs.

We now come to Chicago. Chicago is certainly of all cities in the United States the one which gives the best idea of a genuine American city, for one can see there no trace of the original founders, as is the case with the two cities of which I have already spoken. I may remark, incidentally, that, in 1830, Chicago had only seventy inhabitants. In 1882, that is at the end of fifty-two years, its population amounted to 600,000. There is certainly in history no such example of development. I should further remind you that in the month of October, 1871, a third of Chicago was destroyed by fire. The inhabitants of Chicago, even more than those of Boston, are proud of their city, and say to you with emphasis, "The 10th of November, 1871, the city was in flames; the 11th all was in ashes; the 12th rebuilding was commenced, and a month afterwards the first theater was inaugurated." [Applause.]

Chicago is not, properly speaking, an industrial city; it is a commercial city of the first rank. You have heard of the inauguration last year at Bordeaux of a floating grain elevator. The minister of public works was present at the solemnity, and some speeches were made. This must have amused the Americans, for they had fifteen grain elevators at Chicago in 1873, and there are now twenty-four.

I wish to say a word to you about these grain elevators. The cereals of the great American prairies arrive by the canals or by the railways at Chicago; they are not put into bags as is done by us, but are shipped in bulk, in cars specially constructed for this purpose, and whole trains are thus made up which are sent to the great markets of the country. These trains, thus loaded, are transported to the grain elevators, which are immense wooden constructions of eleven or twelve stories. The grain is lifted (not by porters, whom we are accustomed to see in France, but by a system of endless belts furnished with cups) to the top of the elevator and from there it is poured into the great store-rooms, the floors of which are furnished with valves to which are fitted the wooden spouts. When a vessel is to be loaded they open this valve and the grain contained in the store-room flows directly into the hold of the ship. In this way they load a vessel in seven hours.

Now, how is this great commerce conducted? Not at all as it is done in France. In France it involves a great loss of time. The peasant arrives at the market of the city with his little bags of samples, which he submits to the buyer. He disputes, he praises his merchandise, and usually the bargaining is done at the café, and the transactions are concluded between two or more glasses of beer.

Gentlemen, this belongs to another age; it is the old game. But how is all this done in America, do you ask? This is how. An inspector comes, appointed by the Boards of Trade; he examines the grain, he classifies it, and says to the proprietor, "This grain is class No. 2, or class No. 3." If the proprietor does not accept it he is at liberty to keep his grain. Generally they reach an agreement. The grain classified, the inspector adds, "How much of it have you?" "Three hundred and fifty

thousand hectoliters." "Very well, here is a check for 350,000, No. X, on such an elevator." As the grower is generally a speculator (every man is a speculator in America), with his check he goes to the Produce Exchange and he speculates, he trades, he gambles with his grain; he sells it and rebuys it perhaps twenty times. All the grain, once classified, being stored in the elevator, together with other lots of a corresponding grade, it is no longer his own grain which the producer sells; he has been liberated from all care of storage, of handling, &c.; it is a merchandise the value of which is represented by the checks which have been given to him, and which represent the quantity and the quality delivered. This is how they manage the grain business. It is, therefore, not astonishing that the Americans have need for the telephone and for all the means at the command of active humanity.

Another branch of trade at Chicago which I must not pass over in silence is that of hogs. I wished to see this branch of trade, and I can only say to you that in the establishment which I visited, and which belongs to a Mr. Armour, business was not going on very briskly they only killed six thousand five hundred hogs per day.

I also went to visit near Chicago one of the most extraordinary things in America—Pullman City. You all know that they travel in America in an exceedingly comfortable manner, and quite differently from the French method. It was only after a long time that we finally adopted some very uncomfortable sleeping cars in France. But they are very comfortable in America. Over there sleeping cars have come into very general use, extended by Mr. Pullman, who is a man forty-two or forty-three years of age, and who has rapidly amassed a great fortune through the contracts which he has had with the different railway companies. Mr. Pullman has made a good use of his property. He said to himself, "If I have attained this fortune it is but fair that I should share it with my workmen. It is therefore just that I should do something for them." And do you know what he has done? He has created, 18 miles from Chicago, Pullman City, which is the type *par excellence* of an industrial town. He has established it on the borders of a little lake (Lake Calumet), in order that water may be had in abundance.

But do not suppose that the houses which he has built for the use of the workmen are any kind of interminable galleries, divided into regular compartments, and which resemble from a distance cages for rabbits. No; he has built neat, jaunty houses, so that the workman becomes attached to them, and which render his hearth as attractive as possible. It is enough that I should say to you that, having commenced to build in June, 1880, there were already in August, 1883, 7,500 inhabitants. At the center of this little town is an immense brick tower, which supports a gigantic reservoir containing water for the supply of all the houses. Each dwelling receives the water by natural pressure from the height of the reservoir; and besides there is a steam-engine of 1,200 horse-power—the Corliss machine, which propelled the section of machinery at the Philadelphia Exposition in 1876—and which supplies warm water to the bath-room in each of the dwellings of the workmen. This benevolent and intelligent man has none the less provided for their moral and physical well-being, for he has built in a very picturesque, charming spot in the middle of the city an edifice which is called the Arcade, and which contains everything that is necessary to amuse the people. It has a charming library, very well arranged; the rooms are admirably lighted; the floors covered with carpets. This comfortable establishment is for the use of his workmen. Mr. Pullman has commenced to enrich this library by a gift of five thousand volumes. He pays the librarian, who is a charming woman, a genuine lady, who has been several times in Europe and speaks French. This lady is charged with issuing the volumes to the workmen. They are permitted to take them home, and what is surprising they bring them back. [Laughter.]

I have forgotten one very important point. The benefactor has said to himself, "One of the curses of my country is drink" (drunkenness is a national vice), and he has bought a sufficient quantity of land to isolate all the sellers of wine and liquors. There is not a single saloon in the district, and therefore peace reigns and the people there are happy. [Applause.]

Near by and forming a part of the Pullman establishment is a very interesting manufactory for the making of pasteboard wheels for railway cars. I have traveled miles and miles in the Pullman cars, but I had never noticed the wheels. Ah, well, these wheels are of pasteboard, simply of straw pasteboard. They are riveted on iron plates, and the tire which is around (for the pasteboard does not touch the rails) is of steel. There, gentlemen, I have learned that when one is adroit and a good trader he can do business with Americans, even the Americans, and in the products in which they excel, for these steel tires are imported from Germany, where they are furnished by the Krupp manufactory. It is calculated that these pasteboard wheels will last five or six times as long as the wheels now in use. This is only a theory, because, until now, the first have not been worn out, although they have been in use twenty-four months.

We come to Saint Louis, in the State of Missouri. At Saint Louis there are 400,000 inhabitants. The general aspect of Saint Louis is that of an old French town in the

old quarter and of an American quarter in the new. This city possesses the immense advantage of being situated on the banks of the Mississippi River and of being able to transport its grain at an extremely low rate down to the sea, by means of a system of peculiar barges, towed all along the Mississippi down to New Orleans. A single train of these barges, towed by a steamer, carries 1,000,000 bushels of grain. It is a vast advantage, I repeat, and the inhabitants of Saint Louis hope to succeed shortly in making an inland port of their city, and a mart for grain as important as Chicago. As for me, I doubt much whether they will ever reach the degree of importance that they dream of. But as there exists between Chicago and Saint Louis—separated by a distance of no more than twelve hours by rail—an intense jealousy, there is no doubt that their rivalry will incite both cities to great efforts, and contribute to their development and prosperity.

Saint Louis is not, properly speaking, a manufacturing city; still it possesses considerable industries. I say that it is not an industrial city because I place myself at the French stand-point, and because no manufactured goods are produced there which are likely to compete with our own products. There are manufactured there tobacco, candles, ordinary glassware, white lead, soap, nothing, in a word, that can come into actual competition with us, for we cannot export to such a distance produce of such weight, and of so small value in relation to its bulk.

Ah! I beg your pardon! I was forgetting that champagne wine is manufactured there. I hold it important to let you know its brand, so that you may never have a fancy to drink any of it. It is called "imperial champagne." Some years ago I went to visit that manufacturer in company with a friend of mine. This friend said to me, "you must be a great connoisseur in champagne. I will give you some to taste." The wine is immediately uncorked and my American friend, with a scrutinizing look, asks, "Well, what do you say of this champagne?" I found myself embarrassed between a complimentary politeness and my patriotism. I did not hesitate. I said, "I do not find that it can be compared with French champagne." "Oh" said he, "we are just beginning; we shall do better after a time." This year the same friend had it in mind to let me taste again the Saint Louis champagne. "Since you came seven years ago," said he, "you shall have presently a chance to judge of our progress since your last visit." I tasted and replied, "Last time it still had an appearance of wine, but now it is Seltzer water." [Laughter.] It is none the less true that a certain European nation, which I shall not name, awarded the gold prize medal to the American champagne. [Renewed laughter.]

Here we are in Cincinnati. Cincinnati is a city of 260,000 inhabitants, located, as you know, on the banks of the Ohio, an ever yellow river, like the Mississippi, always yellow and muddy, but which has this advantage of being navigable and of being open to the navigation of large steamers. Cincinnati is an industrial city, but its products, which are not many in number, do not come into competition with ours. However, they are coming to it. Cheap furniture, iron castings, iron safes, &c., are manufactured there. All these factories make existence at Cincinnati absolutely insufferable. Cincinnati is, in some sense, the Birmingham of the United States.

The industry to which I alluded a while ago is an industry of art. It has been created by a lady of society. I told you in the beginning that American women could pride themselves upon having promoted the advance of the industrial arts. Now is the time to prove it. This "*grande dame*," Mrs. Nichols, first made some trials in ceramics of the style called "carbotine." She succeeded very well. Encouraged by her compatriots, she founded, on the banks of the Ohio, a small factory. Her effort has been crowned with success, and now she employs twenty operatives. Her products are now found everywhere. I have brought some back, and our ceramists have been extremely surprised to see that it has been possible to produce such remarkable results in so short a time.

A very significant fact occurred at Cincinnati. An association of ladies has been formed there, which has made it an object to travel, at its own expense, in Europe, and to buy such things as might assist in the development of the art industries. I went to see the embryo of the museum which is being created there, and I assure you that it does them the greatest honor. I remarked there some magnificent old laces, old guipures, old chasubles, very discreetly chosen, to serve as models for the manufacture of broché stuffs. There were also fans, enamels, pocket flasks, &c. These ladies, not having a suitable place in which to make their exhibition, had visited the president of the Art Museum of Cincinnati to ask him for one. This gentleman said to them, "I have several handsome rooms. I put them at your disposal until your means enable you to have a place of your own."

Concerning this Art Museum, allow me to tell you how it was built. The beginning was made by a Mr. West, who offered a sum of 750,000 francs upon the condition that his fellow-citizens would contribute an equal sum. Eight days afterward the additional 750,000 francs were subscribed. Delighted with this result, Mr. West made in writing a donation of 750,000 francs more, the interest of which should serve to purchase annually objects of art to enrich the museum. This remarkable example of

generosity has been imitated. Mr. Springer, whom I had the pleasure of meeting, has made another munificent gift. This gentleman was formerly a grocer. But do not imagine that an American grocer resembles those whom we see in France. A grocer over there is a great merchant, who, every year, visits different parts of the world to buy the products necessary to his trade. He learns, for instance, that new confections are made in Japan; that is for him a motive to travel in that country. This is what an American grocer is.

It is not, therefore, astonishing that Mr. Springer should have had large and generous ideas? Well, this merchant has given 625,000 francs to commence a music hall, which the city of Cincinnati needed, on the condition suggested by Mr. West, viz, that his fellow-citizens should contribute an equal sum, which was immediately done. You see that when a man returns from the United States he is absolutely permeated with this truth, that when one wishes to do something he has only to go ahead in order to succeed. [Applause.]

From Cincinnati I came to Philadelphia. The Philadelphia founded by Penn is to-day very far from having the peculiar aspect which it had at the time when it was inhabited mainly by Quakers. To-day they are building there palaces, and among others a palace of justice, all in white marble and of colossal size. The Americans have very large ideas; *apropos* of this, I must tell you that a journal of that place, the Record, had announced that it would build a magnificent edifice, which was to be higher than the new post-office. A modification in the plans of the latter edifice made it surpass by one meter in height the building of the journal in question. Immediately it constructed a tower, which overtopped by ten meters that of the post-office. That is the grotesque aspect of the matter; but this is the practical side: Philadelphia has to-day 900,000 inhabitants; it covers the largest area of any city on the globe, having, as I think, a length of 46 kilometers. There are one or two streets from 16 to 18 miles long. It is in Philadelphia that we find a great competition and an industrial development exceedingly remarkable. It is there where individual enterprise has played a most extraordinary rôle. At Philadelphia, I saw a certain Mr. Dobson, who came from England as a common workman, and who employs to-day 1,500 operatives. The carpet manufacture employs to-day at Philadelphia 7,000 workmen. Haberdashery and underwear include one hundred and seventy-five factories, which employ 13,000 hands; silks, seventy-eight establishments, employing 6,000 workmen; I might cite to you many other figures. I have only to choose, but I must abridge. But I can say to you that Philadelphia is the most perfect type of an industrial city in the United States. Everything is manufactured there, underwear, silk goods; above all, machinery of every kind, machine tools agricultural machines, locomotives, &c.

And, in finishing my hasty glance at Philadelphia, I must not forget one great industry—that of petroleum. Well, the petroleum manufacture is very remarkable, and the trade of it is managed precisely in the same manner as that of wheat. You all know that petroleum comes from Pennsylvania. Four-fifths of the supply is derived from a district called "the oil country." From the place where the oil wells are found it is sent by subterranean pipes to a part of Philadelphia called Girard Point. And what do you suppose is the total length of this "pipe-line?" Three hundred and twenty kilometers! This oil is poured into immense reservoirs at Girard Point, and when the proprietor of a well sells his petroleum he receives a check for so many hectoliters. With this check he goes to the Petroleum Exchange, in Philadelphia, and speculates. His petroleum, when sold, is taken from the general reservoir, and he has no further trouble. You see that in that country everything tends to economize manual labor, and here I find myself quite naturally led to speak of that which I call commercial "ontillage."

This is nearly a new word; it is difficult to explain exactly all that it comprehends, but I will explain it to you briefly, without trespassing too much upon your time. In France, for our correspondence, we have formulas, capital letters, and interminable salutations; over there they have dropped all that; it is too long. To conduct a correspondence one has a stenographer. The head of the firm receives his mail, and dictates at once his replies. This manner of proceeding economizes his precious time, which he employs usefully in the direction of his business, and, moreover, he is certain that his thought is precisely expressed in his letters, which is not always the case with an ordinary correspondent. The correspondence once taken down by the stenographer, the latter goes into his office, and with his manuscript in his left hand and his right hand on the keys of a writing machine he writes out his letters.

But do not imagine that it is only the great establishments which employ a stenographer. The vendors of crockery, glassware, sponges also use him.

The telephone forms another part of the commercial machinery. The telephone, why we do not know how to use it, or rather we are not allowed to make use of it.

At New York I went to see a patent agent who had been recommended to me for some special business. This gentleman had his office on the ninth floor. One ascends to the different floors by one of three elevators, which are in constant operation. I

found him in his office; he had near him, even in his office desk, in order to give him the least possible trouble, two telephones. If his telephone had been placed at the end of the room he would have had to make three steps to reach it and three to return; that would have been six useless steps. From there he put himself in communication with the Western Union Telegraph Company, whose lines communicate with the entire civilized world. Here, I do not think, with the exception of a few privileged persons, any one can send by telephone an order to the telegraph to transmit a message. Here are then three essential organs of commercial machinery: Stenography, the writing machine, the telephone.

There are other institutions which we lack, among which is the metropolitan railway.

When you have to go any distance in Paris, for example, in the course of your business, it is a matter of unheard of delay. One must go to an omnibus office, take his number, wait for his place; there is no end to it. Over there you have the metropolitan railway. There are four principal lines, which lead to the farthest limits of the city. There is a train on each road every two minutes. You arrive, there is a train, you enter a car, you leave; this costs you five cents, whatever may be the distance. This is again what I call commercial utility.

There are numerous other things which I would like to describe to you, but the lateness of the hour obliges me to pass them in silence. However, I must not forget the service of "messenger boys." We all know the "auvergnat," with his breastplate, who stands with his "crochet" at the street corners. He is beginning to disappear, it is true, but he still exists. It takes at least a quarter of an hour to make him understand the errand which he can do in ten minutes. Ah, well! over there you have very bright young fellows, 14 or 15 years old, who belong to an association of "messenger boys," and are organized in squads at different offices, of which, I think, there are two hundred and forty in New York. These offices are connected by telegraph with the hotels, public buildings, and even private houses. When you need a messenger, you ring; the messenger arrives quite breathless, you give him your errand, he leaves on a run, he returns and reports; how much? So much. You pay, it is finished. This costs 30 cents an hour, and you are not required to pay for the telegram; that is included in the charge. Here, then, is another institution which renders an important service. It is absolutely necessary, gentlemen, that we introduce into France all these means of human activity which offer greater facilities to commerce. We are really a century behind the age.

When an American arrives in France he imagines he has fallen upon a country of another period. When I landed at Havre, the 31st of December, I was delighted. On approaching the train I thought to myself of the snug, first-class compartment of the French railway. But I recoiled with horror, for I found the inside of the cars positively ugly and dirty; the getting in is inconvenient; it is an actual climb. And these hot-water cans, is there anything more inconvenient? Is that comfort? Is that true progress? Over there everything is warmed by steam. If one is cold, he turns a faucet and the heat comes; if one is too warm, he shuts it off.

There is one thing, gentlemen, to which I specially desire to invite your attention. Naturally, this lecture does not admit of the wide range that it might have taken if it were made before an audience composed especially of manufacturers and merchants. Nevertheless, I think it useful to say that, except certain special industries which exercise a great care and a certain liberality in packing their products, we do not know how to properly prepare our goods, so that they shall arrive in perfect condition at the place of consumption. And this is so true that when one visits a store-house and sees on the shelves merchandise badly arranged, badly exhibited, badly packed, one can say, almost with certainty, that the goods are of French origin. It requires a certain courage, gentlemen, as you understand, to dare to say a thing like this in public. People applaud much more willingly men who flatter their national pride, but I feel that I render a service and that I act the part of a patriot in thus doing violence to my feelings and stating positively facts as they are.

Gentlemen, it grows late; I must close. It follows from what I have said to you that America, although not the only cause, is one of the principal causes of the situation in which we now find ourselves brought to bay. Do not call it a crisis, and do not consider it as such. A crisis has an end which can be predicted; this has no such termination. It has but one possible solution, and that must be reached by the following means: A radical change in our national spirit, comprehensive mercantile instruction, the teaching of foreign languages, which will enable the pupils to *speak the language* which they learn (a thing which is not yet realized), and thorough instruction in theoretical and practical geography, which is also not yet supplied. I ask pardon of the distinguished professors and scientists who are in this hall; I do not attack the geographical societies who have given evidences of usefulness and which, like this one, have set a worthy example to follow. But I challenge principally those who, having the greatest interests to follow the important modifications which electricity, steam, and all other means of rapid communication have introduced in the intercourse and relations between other nations, are so blind as to close their eyes and

not admit the reality or to provide a remedy. And then, our system of instruction should be modified. Instead of stuffing with Latin and Greek, as I was stuffed myself, the minds of the children at the tenderest age, teach them the languages of foreign countries, and above all utilize the period when the lingual muscles can most easily adapt themselves to the articulation of sounds, to which they are not accustomed by their mother tongue. Let them know that there are foreign countries which work and develop themselves, that they may not believe, in their childish innocence, that there is no other country but France. Yes, it is proper that they should believe that France is great, but great only if she will be so and labors constantly to that end. It is necessary, in a word, to reorganize our system of national and commercial education.

Before closing, gentlemen, I desire to emphasize especially the following wish: It is that there may be created a league for the dissemination of commercial intelligence, by means of lectures, delivered in all parts of the country, in order to infuse new life, and to make known what is going on beyond our frontiers. I commend this wish to the protection of the Society of Commercial Geography. [Prolonged and repeated applause.]

REMARKS ON FRENCH METHODS, BY CONSUL MASON.

The correctness of M. Lourdelet's conclusions and the clearness and force with which they are stated leave comparatively little to be said. Most intelligent Frenchmen fully recognize the industrial and commercial disadvantages under which their country is suffering. It is also apparent that some of these embarrassments are chronic and deep-seated, and that effective remedies are likely to be correspondingly slow and difficult.

If a discerning American, inspired by that kindly interest which is felt universally in the United States concerning the welfare of the French Republic, were to supplement the plea of M. Lourdelet with any further suggestions he would probably remark that, while in many respects the railway service of France is admirably conducted, there are others in which it is susceptible of important improvements. In respect to tariffs of railway freights, the complaint is often heard that for certain localities they are practically prohibitory. In Marseilles, for instance, the import of English coal has increased from 38,977 tons in 1872 to 281,450 tons in 1882. There are rich and important mines of coal in the adjoining department of Gard, but such is the control exercised over local transportation by the principal railway company of Southern France that English coal can be imported more cheaply than the native coal can be brought to this port. One reads in the journals that important manufacturers in certain interior departments are being abandoned or removed to sea-coast towns in order to escape the exorbitant freight rates of the railways upon raw materials. Under a tariff of from 1.3 to 1.5 cents per ton per mile for raw materials like ores and coal it is not surprising that the important iron manufactories of the Loire are on the verge of ruin.

In the France of the future we may be sure that all this will be changed. The railways will recover their now waning prosperity by a judicious adaptation of freights to the needs and capacities of manufacture and commerce. They will learn, what is so well understood in America, that the secret of success lies not in high tariffs but in economical management and the larger tonnage which lower rates will not fail to stimulate. Their army of uniformed employés will be reduced, because improved methods of handling heavy freights and trains will render much of their present labor superfluous.

There will be also, no doubt, a radical improvement in the present methods of commercial banking, an enlargement of connections with foreign countries, an emancipation from the quill-pen, sand-box, and mail-coach period, and the adoption of methods which are contemporary with telegraphs and express trains.

The conservatism which scratches the soil of Provence and Burgundy with a primitive shovel-plow, while the arsenals of the Republic are turning out some of the finest steel cannon in Europe, will be replaced by an enterprise which will stir the waiting subsoil with the plowshare of modern agriculture. The Government will have either introduced the telephone and made it as general and efficient as the telegraph now is, or it will have withdrawn its present control over all electrical apparatus and permitted the telephone to be established and used by private enterprise.

Commerce, agriculture, and manufacture will be fostered, and labor, in all its forms, dignified and exalted. It will be recognized that a manufacturer or a merchant can be at the same time a cultivated and accomplished man, eligible by virtue of his character and attainments to a social rank not inferior to those of the liberal professions and the army. Education will be broadened and more generally diffused; it will be directed more toward the practical every-day studies which teach young men what has been learned and accomplished outside the French frontiers since 1815, and fit them for useful productive lives.

The present methods of manufacture will undergo important modifications. There will be a gradual but definite partition of the workshop from the home of the operative, an organization of manufacturing industries upon a larger and more effective scale. In discussing the marked decline in French ribbon exports during the past fifteen years, while those of Switzerland and Germany had increased, it may have been explained by American purchasers of that class of goods that they find the system of ribbon manufacture at St. Etienne too slow and cumbersome for the present requirements of business. In that once busy and prosperous French community the ribbon manufacture is so divided and managed upon so small a scale that the prompt fulfillment of large orders of uniform qualities is almost impossible. So the American or English buyer coming to the continent at the beginning of a season, goes first to St. Etienne, where he purchases a few cartons as patterns, for in taste and beauty of design the French artisans are still in advance of all rivals, and with these patterns he places his large contracts in Switzerland or Germany.

All this will be changed in the future if the French ribbon-makers are wise. Instead of working his hand loom in his little third or fourth story domicile, the silk weaver of St. Etienne will labor with hundreds of his fellows in large, well-lighted, warmed, and ventilated factories, provided with motive power. The hand loom will be replaced by the power machine, and the manufacturer will be enabled to take large contracts for early delivery and of uniform quality. Without some of these improvements in organization, an adaptation of facilities to the modern requirements of trade, even the French workmen, with all their admirable skill and taste and frugal industry, will be left behind in the race.

The lines of steamships which France has so judiciously fostered and which connect the ports of Marseilles, Bordeaux and Havre with all maritime countries, will no longer pour their cargoes of grain upon open wharves to be covered with tarpaulins and carted away in sacks, but will discharge them into elevators connected by rail with the interior.

The great obstacle which now obstructs the progress of this country is routine, a willingness to tread patiently in the paths marked out by the fathers and grandfathers of the present generation. * * *

FRANK H. MASON,
Consul.

UNITED STATES CONSULATE,
Marseilles, May 10, 1884.

AMERICAN PRODUCTS IN PALERMO.

REPORT BY CONSUL CARROLL.

After over a month's observation and "investigation," I have the honor to state that there appears to be a very large field in Palermo, and, indeed, in the whole island of Sicily, for the introduction of American products of nearly all kinds.

Comparatively speaking, there are few American products imported into Sicily, notwithstanding exports therefrom to the United States amount to nearly one-half of the aggregate amounts to all other countries. I think this is due to the apathy or indifference of American dealers or manufacturers, or perhaps to their being uninformed as to the existence of an eligible market in Palermo for the sale of almost every conceivable kind of American goods.

Taking all the circumstances into consideration, the energy and enterprise of Americans generally in all callings, their usual desire and efforts to extend and introduce their products into all countries, it seems strange that Palermo, and even all Sicily, with direct and comparatively short communication, should have alone been apparently neglected in this respect. There are few industries or manufactories here, and these few are so crude and insignificant for a place so large as Palermo, that nearly everything is necessarily imported, and England, Germany, France, &c., are the beneficiaries in this respect.

In consequence of little being produced in Sicily, everything is dear with the exception of wine, the manufacture of which even is only in its incipency.

It is believed that after defraying all expenses attending the shipment of American goods to Palermo, that they would be less expensive and more satisfactory to purchasers than are those purchased from countries previously referred to, and that this once realized by the people here, who know little or nothing practically of American productions, they would supersede to a large extent those of other countries.

As previously stated, it is believed there is an eligible market here for almost every American product. But, to be more specific, it may be proper to mention that machinery, furniture of all kinds, clocks, watches, agricultural implements, cottons of the medium and lighter grades, carpets, silver-plated ware, lamps of all kinds and styles, gas stoves of various kinds, &c., would have a ready sale here.

With a view of enabling those who may be desirous of extending their trade to this port of Italy to form a basis of profits and expenses, I have requested Mr. Belli, the vice-consul, to make a translation of the duties imposed by the Italian Government upon certain articles imported from the United States, which I inclose herein. It is, of course, in a brief report like this impracticable to specify all articles likely to find a market here, and it is still less practicable to go through and translate the entire Italian tariff in order to show the exact duty on each article of importation, but it shall always be a pleasure to me to hold myself in readiness to answer any question in this or any other respect, compatible with my official duties, which may be propounded by those interested.

It has occurred to me that the better way, if not the best way, to introduce American goods into Palermo would be to establish a general store in which could be exhibited the various kinds of articles manu-

factured or produced in the United States, either sending a responsible person from the United States for that purpose or appointing one of that character in Palermo.

PHILIP CARROLL,
Consul.

CONSULATE OF THE UNITED STATES,
Palermo, May 19, 1884.

TARIFF ON IMPORTS INTO ITALY.

[Inclosure in Consul Carroll's report with dispatch No. 14.]

Sugar, first quality, 66.25 lira per 100 kilograms.
 Sugar, second quality, 53 lira per 100 kilograms.
 Cordage, 3 lira per 100 kilograms.
 Watches (gold), 3 lira each.
 Watches of other metals, 1 lira each.
 Clocks, 5 lira each.
 Coal, free.
 Wood for furniture, 2 lira per 100 kilograms.
 Furniture of common wood, from 7.50 lira to 40 lira (according to the quality) per 100 kilograms.
 Guns, 600 lira per 100 guns.
 Revolvers, 350 lira per 100 revolvers.
 Beer, 15 lira per 100 liters.
 Beer, 15 lira per 100 bottles.
 Spirit, 12 lira per 100 liters.
 Petroleum, 36 lira per 100 kilograms.
 Cigars (Havana), 30 lira per kilogram.
 Cigars (other qualities), 20 lira per kilogram.
 Butter, free.
 Cheese, 8 lira per 100 kilograms.
 Lard, 1 lira per 100 kilograms.
 Wax, free.
 Honey, 5 lira per 100 kilograms.
 Wax candles, 15 lira per 100 kilograms.
 Organs for church, 12 lira per 100 kilograms.
 Pianos (upright), 60 lira each.
 Pianos, 75 lira each.
 Upon some of the importations there is a small municipal duty imposed in addition to the Government duty.

PROPOSED INCREASE OF THE IMPORT DUTIES IN GERMANY.

REPORT BY CONSUL-GENERAL VOGELER, OF FRANKFORT-ON-THE-MAIN.

I have the honor to report that the German Imperial Government has just sent to the Bundesrath the draft of an amendment to the tariff law of 1879, which increases considerably the import duties on a number of articles and imposes duty on others which are now on the free list. This amendment, it is believed, will be adopted by the Bundesrath, whereupon it goes to the Reichstag. Inasmuch as the latter body contains a decided majority of members who favor a protective tariff, it is confidently asserted that the bill will be adopted by that body during its present session without material modifications, and thus become a law within a few months. It is for this reason that I deem it proper, at this early date, to report the material points of the bill, to-

gether with the arguments ("motives" as they are called in the parliamentary language of Germany) of the Government in support thereof. The Government say:

The reform of our tariff system, inaugurated by the law of July 15, 1879, has in a general way brought about the desired results, in this, that it has not only produced a decided increase of revenue, which has greatly relieved the financial situation of the several German States, but has also strongly fostered the industrial activity of the nation. It would, however, contravene the public interests, which the tariff has to serve in the first place if legislation should, as is demanded in some parts, consider the tariff which has now been in force nearly five years as something nearly unchangeable.

Such strict adherence to all the provisions of the tariff is forbidden, on the one hand, by the constant development of the manifold industries affected by the tariff; while on the other hand, in many instances, experience alone has enabled a competent judgment as to whether the provisions of the tariff of 1879 have hit the right thing (*das Richtige getroffen haben*) as well in the classification of the articles as in the height of the several rates. The efforts of the confederated governments to reform the tariff in this sense have not lately been successful, inasmuch as the bills of April 27, 1882, and February 11, 1883, relating to changes of the tariff laws, have not obtained the concurrence of the Reichstag. The confederated governments have therefore desisted from reintroducing these propositions. In like manner other suggested changes of the tariff are, for the time being, withheld on account of the conflict of interests concerned therein (*betheiligte Interessen*) and of the want of sufficient experience, which can only be obtained gradually. The present draft of an amendment, therefore, confines itself to such pressingly necessary changes of the tariff laws as to which objections of the nature above indicated cannot be urged, and the adoption of which can now be recommended without detriment to more comprehensive measures for the further development of our tariff system hereafter to be considered.

The changes proposed are as follows: * The duty is increased on—

ARTICLE I. (a.) Laces and embroideries from 250 to 350 marks.

(b.) Prepared ornamental feathers from 300 to 900 marks.

(c.) Spirituous liquors from 40 to 80 marks.

ARTICLE II. Ultramarine (heretofore free) to 15 marks.

ARTICLE III. The words "watch materials and watch-works of inferior metals" are to be superseded by the words "works for other but tower-clocks and watches and watch materials of inferior metals."

ARTICLE IV. (a.) Embroidered and lace dresses from 900 to 1,200 marks.

(b.) Artificial flowers from 300 to 900 marks. Artificial flowers, parts thereof, from 120 to 900 marks.

ARTICLE V. (a.) Watches formerly 600 marks per 100 kilograms are now to be assessed by the piece, as follows:

Watches with gold or gold-plated cases 3 marks per piece.

Watches with cases of other metal 1.50 marks per piece.

Watch-works without cases 1.50 marks per piece.

Watches, gold or gold-plated, 1.50 marks per piece,

Watch-cases of other metal 0.50 mark per piece.

ARTICLE VI. (a.) Variegated needle-work from 100 to 150 marks.

(b.) Linen laces from 600 to 800 marks.

ARTICLE VII. Removes certain articles from the free list, viz, engraved metal plates and lithographic stones with drawings, intended for impressions on paper.

ARTICLE VIII. (a.) Sparkling wines in bottles from 48 to 80 marks. (At present all wines pay 48 marks.)

(b.) Cacao, in beans, raw, 35 marks; roasted, 45 marks. (At present all kinds are rated at 35 marks.)

(c.) Chocolate, ground cacao, and surrogates of chocolate from 60 to 70 marks.

*All rates refer to 100 kilograms, equal to 220 American pounds. One mark equal to 23.8 cents.

ARTICLE IX. Laces and embroideries wholly or partly of silk from 600 to 800 marks.

This proposed amendment, in connection with the declaration and argument of the German Government in support thereof, although not in itself a great innovation, is nevertheless highly interesting and important as indicating a determination on the part of that Government to adhere to the protective principle in the adjustment of the tariff.

Respectfully submitted,

FERDINAND VOGELER,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Frankfort-on-the-Main, May 30, 1884.

EXTENSION OF EUROPEAN TRADE IN THE ORIENT.

REPORT BY CONSUL KIEFER, OF STETTIN, GERMANY.

I have the honor to bring to the attention of the Department an article from the semi-official paper Norddeutsche Allgemeine Zeitung, copied into the New Stettiner Zeitung, of May 17, 1884, of which I inclose two copies.

The article corroborates the ideas expressed in my dispatches No. 18, of March 8, and No. 32, of May 10, 1884, about the best method for the introduction of new articles into foreign countries, shows how Europeans are acting in this regard, and may prove of some interest and value to our own manufacturers. It reads, translated, as follows:

A few years ago, as everybody knows, a number of manufacturers in Austria associated themselves for exporting purposes under the name of the Austro-Asiatic Company, which has sent out an expedition with samples to India.

According to the reports received this expedition has met, wherever it appeared, as in Kurrachee, Bombay, Calcutta, and Colombo, with satisfactory, even in some places with really surprisingly favorable, results.

It is nothing new at all that manufacturers go together and send experts as their representatives, but the fact is not appreciated by German merchants as it ought to be.

Therefore it seems not to be superfluous to refer to the example given by said company, and to advise that it might be followed up. The traveling expenses and those of first setting up such an expedition, if divided among a number of partners, are according to experience not heavy at all, and will soon be refunded. Besides, it might be shown by this way that many articles of the German industries if exported will easier find a market, as it is usually expected.

The imperial consuls in foreign countries, as it is generally agreed to, are very willing to give every information wanted about the countries and the people, to show the best ways and manners to be taken, to cause by their personal influence the introductions needed, and to find at the disposal of those interested all the knowledge of local conditions they have. They can aid very materially the business men, but they can supply neither men nor their active work.

This is the cause wherefore we want to recommend very earnestly the measures recently adopted by the Austrian manufacturers.

I can only say "amen," and think, in my humble opinion, the same principle, if carried out in Europe, and especially in Germany, might prove equally successful here, and the same words—*mutatis mutandis*—ought to be told again and again to our American manufacturers.

HERMANN KIEFER,
Consul.

UNITED STATES CONSULATE,
Stettin, May 19, 1884.

THE EFFECT OF PROTECTION ON LABOR IN GERMANY.

REPORT BY CONSUL WAMER, OF DUSSELDORF.

In a recent report to the Department on labor and wages I mentioned the fact that the demand for labor in this consular district, a great center of iron, steel, and coal industry, had very much increased during the past few years, without stating any special reasons as to the cause of it. Since then I have busied myself with ascertaining the opinions of many of the best informed persons here on the subject, who claim that this happy turn to prosperity, as they call it, is to be attributed entirely to the good effects of protection in Germany. From my own observation, I feel quite safe in asserting that wages in this district have undoubtedly been on the rise since the introduction of the German new tariff. Competition with foreign imports has greatly diminished, and there has not only been an increase in the demand for home production but the quality of the article manufactured has become better.

With a view of showing the condition of wages in the iron and machine works of Germany before and after the introduction of the new iron duties in 1879, the *Verein Deutscher Eisen und Stahl-Industrieller* (German Steel and Iron Industry Association) published recently statistics received from 320 iron works, foundries, and machine works in various parts of Germany, and which are herewith given.

In January, 1879, there were employed in said 320 works 151,582 workmen, with month wages to the amount of \$2,280,375 against 202,888 workmen in January, 1884, with \$3,468,024 month wages.

According to these figures the number of workmen increased by 50,306, or 33.2 per cent., and the wages by \$1,087,648 (52.1 per cent.) per month. Each workman (including all classes) earned during the month of January, 1879, on an average of \$15.04, and during the same month of 1884, \$17.17, which shows a difference of \$2.13 per month in favor of the laborer.

From 1879 to 1882 the number of workmen employed in the machine works increased by 29.3 per cent.; from 1879 to 1883, by 50.9 per cent., and from 1879 to 1884, by 52.9 per cent. This gives an increase of the single wages from 1879 to 1882, 14.6 per cent.; from 1879 to 1883, 15 per cent., and from 1879 to 1884, 19.2 per cent. Since 1879, the number of workmen employed in the iron works increased by 26.3 per cent., the total wages by 41.4 per cent., the single wages by 11.8 per cent.

In comparison to those figures of 1879 there has also been an extraordinary large increase of labor and wages in the iron works. Since then the number of workmen has increased by 26.3 per cent.; the total wages advanced by 41.8 per cent., and the single wages by 11.8 per cent.; which, too, has taken place at a period when many works in England—and some in France and Belgium—had to suspend operations and thousands of workmen were thrown out of employment, with considerable reduction of wages.

WM. D. WAMER,
Consul.

UNITED STATES CONSULATE,
Dusseldorf, June 7, 1884.

PREVENTING EMIGRATION FROM AUSTRIA-HUNGARY.*REPORT BY CONSUL-GENERAL WEAVER, OF VIENNA.*

In my last annual report, dated February 25, 1884, I recited the fact that seventy peasants of Galicia with their families (as telegraphed from Krakau) had been stopped by the police at the railway station, and forced to return to their homes, although they were provided with prepaid tickets, which for the most part had been sent them by friends in the United States, and it was subsequently affirmed by the press, and as far as I know without contradiction, that the sale of the farms and homes of the peasants, which had been effectuated previous to their departure, was declared null and void by the competent Government officials.

It would appear from the "clipping," which is herewith inclosed, together with its translation, cut from the evening edition of the *New Freie Presse*, of the 3d instant, that the policy of this Government remains unchanged relative to the emigration of its subjects. The translation of the article is here appended, viz:

PREVENTED EMIGRATION.

We are informed by telegraph from Krakau, as follows: A party consisting of several peasant families arrived here recently for the purpose of emigrating to America. As the men feared they might be arrested at the railway depot here by the police commissioner they went on foot to the next railway station, there to await the arrival of their wives and children coming from Krakau.

The officials, however, who had been informed of the matter, prevented the departure of the women, in consequence of which the peasants were obliged to return to Krakau. At first they were disinclined to return to their homes in the district of Pilzno and Tarnon, as they declared they had sold their houses and farms and that they would not want to emigrate if they had bread at home.

They also declared that they had received from their friends in America prepaid tickets for the passage to New York, as had several other peasant families who would shortly undertake emigration.

The emigrants, after much persuasion, were induced to return to their homes.

It can be readily understood that the primal motive forces driving these people to emigration are wretched poverty and universal military conscription; while, doubtless, on the part of the Government, the actuating motive is one of self-protection growing out of a stern military necessity.

JAMES RILEY WEAVER,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Vienna, June 7, 1884.

CUBAN STATISTICS.*STATEMENT PREPARED BY MINISTER FOSTER, OF MADRID.*

1. STATEMENT OF COMPARATIVE COST OF ARTICLES OF PRIME NECESSITY AND PURCHASING POWER OF SUGAR IN CUBA, LOUISIANA, AND DEMERARA.

Sugar is the leading product of Cuba, and furnishes it its purchasing power for the commodities of life. A comparison of the cost of a few articles of prime necessity in adjacent territories where sugar is cultivated will illustrate the weight of the burden imposed on Cuba by its present commercial system. Louisiana, to the north, and Demerara, to

the south, furnish good examples for comparison. Use is made of figures published in the newspapers of Havana, which are doubtless substantially correct.

Flour.—The cost of 100 pounds of flour is in Louisiana about \$3, in Cuba \$8, and in Demerara \$3.50. To buy 100 pounds of flour it requires in Louisiana 42 pounds of sugar, in Cuba 228 pounds, and in Demerara 87 pounds, or a difference in favor of Louisiana of 443 per cent. and Demerara of 161 per cent.

Meat.—The class known as “tassajo” in Cuba and “carne de fincas,” as applied to other countries, costs in Louisiana 8 cents per pound, in Cuba 11 cents, and in Demerara 8 cents, or in sugar for 100 pounds 114, 314, and 200, respectively.

Lard.—To purchase 100 pounds of lard it requires in Louisiana 143 pounds of sugar, in Cuba 486 pounds, and in Demerara 300, and about the same proportion for hams.

Coffee.—To purchase 100 pounds of coffee, a product of the island, 457 pounds is required, but in Louisiana only 214 pounds.

Lumber.—One thousand feet of building lumber costs in Louisiana \$15, and in Cuba \$35, or 214 pounds of sugar in Louisiana and 1,000 pounds in Cuba.

Labor.—Field labor commands about the same price in Louisiana and Cuba, but the labor of a workman for one month in Louisiana can be paid for with 285 pounds of sugar, while it requires 571 pounds in Cuba. And if we reverse the estimate, we find that a month's wages in Louisiana will purchase 666 pounds of flour and in Cuba only 250 pounds, and that in Louisiana it will buy 250 pounds of meat and in Cuba only 181 pounds.

Cost of sugar production.—The Planters' Association of Havana has made the following calculation of the cost of producing sugar:

100 arrobas (2,500 pounds) of cane yields 5½ arrobas sugar, first extraction	....	\$4 48
2 arrobas sugar, second extraction	.....	1 00
2½ molasses	.....	62
Total products	.....	6 10
Expenses:		
100 arrobas of cane	.....	\$3 00
Cost of reduction to sugar	.....	1 50
Freight	.....	55
Local taxes*	.....	87
Brokerage	.....	05
	.....	5 97
Net profit	.....	13

2. STATEMENT OF PUBLIC DEBT AND ANNUAL BUDGET OF CUBA.

In 1878-'80 the loans or advances of three Cuban banks and other pressing obligations of the civil war were consolidated into a funded loan, running thirty years, having 6 per cent. interest, payable quarterly, and secured by the pledge of the Cuban customs and the subsidiary guarantee of Spain, amounting to	.....	\$75,000,000
In 1882 the remaining and accumulated indebtedness was authorized to be converted into a kind of annuity fund. This indebtedness has been variously estimated at from sixty to eighty millions of dollars; adopting the minimum figure, say	.....	60,000,000
Added to this is the annual deficit in the budget of from four to nine millions for three years, say	.....	18,000,000
Total approximate debt	.....	153,000,000

* On its exportation from the island sugar is subjected to a further tax of \$2.30 per box, or \$6 per hogshead.

The loan of 1879 was issued at 95. At one time it commanded a small premium over its face value, but of late it has steadily declined, and is now quoted at 87 to 88 in Madrid.

The Cuban budget of receipts and expenditures for the current year is as follows :

EXPENSES.

Interest and charges on public debt	\$10,185,028
Other general obligations	1,890,971
Church and judicial department	1,020,504
War department	9,625,378
Finance department	1,823,223
Navy department	2,204,677
Interior department	5,730,966
Public works department	1,036,812
State department	616,160
Fernando Po	37,160
	<hr/>
	34,170,880

RECEIPTS.

Internal taxes	\$7,803,000
Customs :	
Imports	11,400,000
Exports	6,466,200
Miscellaneous	1,987,770
	<hr/>
	19,853,970
Government monopolies	1,954,900
Lotteries	3,449,820
State property	376,400
Miscellaneous	831,320
	<hr/>
	34,269,410

For several years past the receipts have fallen short of the expenses several millions of dollars. For the current year the deficit is estimated at about \$5,000,000.

3. COMMERCE BETWEEN SPAIN, CUBA, AND PORTO RICO.

Imports from Cuba and Porto Rico for the year 1882.

[Pesetas converted at rate of five to the dollar.]

Class of tariff.	Articles.	Cuba.	Porto Rico.
2	Copper	\$16,061	
3	Paraffine, stearine, wax, and sperm	88,612	
9	Woods, fine	73,606	
9	Cooperage	25,023	
10	Leather and hides, undressed	61,633	\$79,310
12	Sugar, up to and including No. 14, Dutch standard	1,484,221	211,700
12	Sugar, above No. 14, Dutch standard	627,228	50,406
12	Cacao	206,526	
12	Cacao, foreign production	135,117	
12	Coffee	194,445	432,411
12	Rum (aguardiente)	191,079	5,004
12	Molasses and sweets	36,694	13,371
12	Preserved food, sauces, mustard, &c.	5,854	
Dis. 1	Gold coin	21,850	
1	Silver coin	7,750	
5	Sacks	7,982	5,335
5	Tobacco, for national factories	782,685	238,287
5	Tobacco, manufactured for private use	618,848	
5	Tobacco, manufactured for sale	29,300	
	Other articles	55,929	26,677
	Total	<hr/> 4,670,521	<hr/> 1,071,501
	Total Cuba and Porto Rico		<hr/> 5,742,022

Exports to Cuba and Porto Rico for the year 1882.

Class of tariff	Articles.	Cuba.	Porto Rico.
1	Marble, worked	\$21,097	
1	Lime and cement	8,060	
1	Brick and tiling	38,906	
1	Roof tiling	8,310	
1	Glazed and mosaics	62,398	
1	Earthenware	50,479	
2	Gold coin	16,000	
2	Silverware and jewelry	8,220	
2	Fire-arms	213,474	
2	Lead, manufactured	16,991	
2	Zinc, manufactured	16,281	
3	Vegetable products	5,908	
3	Paints	8,260	
3	Salt	36,098	
3	Cream of tartar	5,573	
3	Chemicals and pharmacy	12,969	
3	Perfumery and essences	3,179	
3	Soap, hard	477,417	\$185,105
3	Wax and stearine, in gross and candles	163,658	9,878
4	Cotton thread	21,325	
4	Cotton fabrics, white	463,070	240,193
4	Cotton fabrics, made up	14,779	13,554
4	Cotton fabrics, dyed and stamped	21,417	145,475
4	Cotton net goods	12,308	92,655
5	Tackle and cordage	66,290	
5	Netting of hemp and linen	48,983	34,058
5	Thread lace	129,200	7,400
6	Flannels and woollen fabrics	30,688	18,684
7	Silk goods	31,351	7,885
4 to 7	Mixed wool and cotton fabrics	22,880	9,828
4 to 7	Mixed silk and cotton fabrics	8,320	
8	Paper, in rolls	33,700	
8	Paper, writing	46,452	17,479
8	Paper, smoking	90,696	9,952
8	Paper, brown	35,224	
8	Books	44,464	
9	Corks	22,139	
10	Leather, sole and strap	5,364	
10	Leather, cow (vaqueta)	32,414	7,499
10	Leather, calf	12,060	11,982
10	Leather, sheep and morocco	142,298	82,928
10	Shoes, all classes	1,848,522	255,108
10	Animal greases	10,020	
10	Harness and saddlery goods	12,870	
11	Guitars, and other musical instruments	7,299	
12	Meats, salt, smoked and cured	5,670	
12	Butter	98,408	7,951
12	Sardines, salted and pressed	25,817	
12	Rice	38,058	30,678
12	Wheat	145,999	
12	Wheat flour	1,785,970	364,671
12	Rice flour	13,513	
12	Beans	342,342	47,103
12	Other dried vegetables	32,862	5,952
12	Garlic	49,012	9,728
12	Onions	67,734	18,921
12	Potatoes	17,760	13,119
12	Almonds	60,900	
12	Olives, green	77,097	10,462
12	Oranges		5,831
12	Filberts	13,183	
12	Chestnuts	10,998	
12	Dried figs	13,396	
12	Raisins	54,029	5,911
12	Saffron	34,440	
12	Cumin	5,102	
12	Peppers, ground and unground	23,078	8,280
12	Oil, common	508,498	85,709
12	Rum (aguardiente)	55,289	40,992
12	Rum, anise	65,611	18,296
12	Cider	8,716	
12	Wine, common	3,351,634	125,479
12	Wine, sherry	96,551	7,037
12	Wine, high grades (generosos)	775,693	144,806
12	Vinegar	5,728	
12	Canary seed	6,242	
12	Preserved food	599,029	51,244
12	Pressed meats, sausages, &c.	94,117	7,710
12	Chocolate	53,314	18,890
12	Sweets, candies, &c.	43,534	7,183

Exports to Cuba and Porto Rico for the year 1882—Continued.

Class of Tariff.	Articles.	Cuba.	Porto Rico.
12	Macaroni and soup compounds	\$68, 075	\$18, 727
13	Fans	184, 810	28, 015
13	Sandals	153, 783	.....
13	Playing cards	76, 525	13, 096
13	Umbrellas	21, 281	8, 737
13	Felt hats	22, 948	10, 612
13	Other articles	104, 864	75, 390
	Total	13, 542, 639	2, 285, 213
	Total Cuba and Porto Rico		15, 827, 852

JOHN W. FOSTER,
Envoy Extraordinary and Minister Plenipotentiary.

LEGATION OF THE UNITED STATES,
Madrid, January 11, 1884.

REDUCTION OF WAGES ON THE CLYDE.

REPORT BY CONSUL HARTE, OF GLASGOW.

I have the honor to report that in consequence of the continued depression in the Clyde ship-building industry the employers have been under the necessity not only of discharging a great number of their operatives, as I formerly reported, but also of making a general reduction of wages in all the departments.

The "wages question" has been before the Clyde Ship-builders' Association for some time, but it was only on May 12 that the result of its deliberations was announced to take effect. At that date, according to the notices posted at the various establishments, the following deductions came into operation: Carpenters, joiners, and cabinet-makers, one halfpenny per hour (the piecework of these workmen to be reduced in the same proportion); blacksmiths, one halfpenny per hour and 10 per cent. off piece-work rates; hammermen and red-leaders, one farthing per hour; painters, one halfpenny per hour; iron finishers same reduction as blacksmiths; yard laborers, one farthing per hour; saw-millers, one halfpenny per hour; riveters, fitters, calkers, and slippers, one halfpenny per hour; angle-ironsmiths, one halfpenny per hour. The workmen held meetings on the subject and fully discussed the position, but it is now understood that they have all agreed to accept the reductions.

The Association of Operative Shipwrights, after memorializing the employers and fully discussing the question, resolved, "considering the present condition of the shipping and ship-building trades, and the state of the labor market, to accept the reduction posted." A deduction of one halfpenny per hour was made from the wages of the shipwrights only in January last. The engineers and boiler-makers connected with engine shops were not at first included in the notice of reduction. The association of employers had their position under consideration for a long time before they could come to any resolution. It was understood that the prevalent opinion among employers was against

any reduction being enforced on the workmen in question. The engineers, it was pointed out, had always been very modest in their demands in times of prosperity, while at the present time they were not overpaid. A very full meeting of employers was, however, held last week, when the position of the trade and current wages were discussed, and it was ultimately agreed to reduce the wages of all classes of engineers from one farthing to one halfpenny.

The wages paid to the various classes of workmen connected with the ship-building industry will be as follows :

	Per hour.
Shipwrights	\$0 14
Blacksmiths	14
Engineers	11½ to 13½
Ship-joiners	12 to 15
Boilermakers	14
Ship-painters	13 to 14
Ship-plumbers	15
Sawyers	12
Iron markers	10
General laborers	9
Riggers	12
Red-leaders	10
Hammermen	10
Saw-mill machine men	11½

Riveters, caulkers, and fitters who are paid by results have had their wages reduced by about 20 per cent.

BRET HART,
Consul.

UNITED STATES CONSULATE,
Glasgow, May 21, 1884.

PERSIAN-AMERICAN TRADE INDICATIONS.

REPORT BY CONSUL-GENERAL BENJAMIN, OF TEHERAN.

I have the honor to report that the silk which, through my efforts, was reeled in lengths required by American manufacturers has met the approval of the latter. A direct result is the order recently received by the agent in Teheran for an invoice of Persian raw silk for Paterson, N. J.

The large firm of Zeigler & Co. have declared their intention of sending to the United States for goods, especially cotton stuffs and prints. Indeed, as I understand, they have already sent orders to the United States. Prominent merchants of Hamadan have also requested information from this legation, and one of them proposes to visit the United States in a short time. The head of the syndicate, a man worth several millions, who has agents in the leading markets of Europe, has also called on me and discussed for nearly three hours the best methods for enlarging the commercial relations of the two countries.

The minister of foreign affairs, newly appointed, and other prominent Persians have also repeatedly discussed with me the projected road to Mohommerak, at the mouth of the Euphrates, and hoped that our influence might be added to that of England to bring about the completion of that enterprise and the opening to commerce of the most desirable port in Persia.

S. G. W. BENJAMIN,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Teheran, April 30, 1884.

AMERICAN CHARTER-PARTIES TO SPAIN.

REPORT BY CONSUL SCHEUCH, OF BARCELONA.

Some two months ago I was called upon to grant a "certificate for the current rate of exchange on London on a certain day; also that it was customary in this port to accept in the ordinary business transactions a Spanish dollar for an American dollar." Being called upon by a ship-broker last week for a similar certificate, the request attracted my attention, and on examination I found that a certain firm here, importers of cotton, have taken undue advantage of ship-masters in settling freights.

Permit me to say that I do not wish to reflect in the least upon the character and honesty of the importers in general of this port, this being the first case that has come under my observation since a ten years' official residence here, but I feel it of importance enough to report it, as possibly other importers becoming acquainted with the facts and objects might feel inclined to imitate.

The case is as follows: A German vessel arrived here from Charleston last month with a cargo of cotton, consigned to one of the Barcelona cotton receivers. The charter-party stated, "freight should be paid at 23-64d. a pound sterling, at current rate of exchange for bankers' eight days' sight-bills on London, but the captain, in order to oblige the shippers in Charleston (the latter being in turn requested by the receivers here to do so), signed "bills of lading," at 23-34 "*cents, American, in gold,*" to the pound sterling, but without referring to his charter-party for freight and other conditions.

Now, among commercial men in general it is considered that a penny is equal to two cents in American gold, wherefore the ship-master above referred to in reality should not have sustained any loss on account of having signed the bills of lading for freight at so many cents or fraction of a cent in American gold, if, at the port of discharge, the *American* (!) currency had been calculated or brought into *Spanish* money according to its true value.

The plan was no doubt intentionally laid. The receivers had requested the shippers to stipulate the freight in bills of lading in cents, and the latter, not suspecting the masters' interests would suffer in the least, consented to the proposal, which, innocently enough, was agreed to by the captain. On settlement of freight the receivers insisted on paying a Spanish dollar for each American, alleging such to be an old custom of the port; but it must be recollected that this custom dates from the time when a Spanish silver dollar had the same sterling value as an American. The captain whose case I refer to had to accept the merchant's settlement, suffering in consequence a loss of 6 per cent., which difference he is claiming from the shippers at home.

In order to prevent similar cases our shippers and brokers might be advised, in chartering vessels for Spain, to stipulate the freight in sterling, both in charter and bills of lading, payable at the current rate of exchange for bankers' eight days' sight-bills on London.

FRED'K H. SCHEUCH,

Consul.

UNITED STATES CONSULATE,
Barcelona, May 25, 1884.

EXPORTATION OF SWISS RIBBONS TO THE UNITED STATES.

REPORT BY CONSUL GIFFORD, OF BASLE, ON THE EXPORTATION OF RIBBONS FOR THE FALL TRADE.

There are decided indications that the importation of ribbons into the United States, both by the way of purchase and consignment, will be much smaller than in 1883. The stock now on hand in New York and Philadelphia, remaining over from the enormous importations of last year, leave only room for supplying some few patterns that have been exhausted and for such novelties as the fashion demands. The European markets are in the same condition, particularly that of England, and from the same cause, so that Basle manufacturers are preparing for a season of depression after a period of overproduction.

Prices are substantially the same as last year, the trifling reduction in the price of labor and of raw silk from China being nearly counterbalanced by the higher cost of Italian silk.

As the deliveries for the fall season are about beginning, an opinion can be formed of their probable character. The bulk of the importations from this district will be the standard articles, such as failles, satin-and-failles, and taffetas, black and colored. Fancy ribbons make slow progress in regaining their lost place in popular favor and but few will be ordered. Plushes are not wanted, and a small supply of velvet ribbons will supply the demand.

The "ottomans," which were somewhat in vogue last year, will also be imported during the coming season, with a few novelties of the same general type called "epingle," "frisé," and "terry." These are all varieties of "ottoman." The weaving is the same as that by which velvet is produced, but in velvet proper the ribs are closer together and are cut open at the top, so that the ends of the threads thus left free form a uniform surface. In the "ottoman" type, on the contrary, the ribs are commonly left intact, and in the "epingle" they are raised and made still more prominent by pins or cords, over which the warp passes, and which are subsequently withdrawn.

GEORGE GIFFORD,
Consul.

UNITED STATES CONSULATE,
Basle, May 30, 1884.

THE WHEAT TRADE OF MARSEILLES.

REPORT BY CONSUL MASON SHOWING THE

IMPORTS FROM RUSSIA, INDIA, THE UNITED STATES, AND OTHER COUNTRIES.

Although France ranks among the wheat-producing countries of Europe (over 17,000,000 acres being devoted to its culture in this country), its product, even in years of good harvest, falls far below its needs for local consumption. The deficit, which as long ago as 1879 amounted to 54,719,143 hundred weight, is supplied by importations from Russia, Austria, Spain, Italy, Turkey, Egypt, the Barbary States, Algeria, India, the

United States, and other countries. The proportion of the total import contributed by each of the above named countries has varied from year to year with the changing conditions of their respective harvests, modified still further by the wars which have disturbed commercial and agricultural interests in Africa and the countries bordering on the Black Sea. Marseilles, from its commanding position and its excellent maritime connections with the ports of all wheat-exporting countries, has borne a large part in the exportation of the foreign breadstuffs consumed in the whole of France, the receipts at this port in 1868 having included about two thirds of the entire import. This proportion has gradually declined for two principal reasons: First, the high freight charges of the railways compel the importation of all bulky merchandise at the ports nearest to the district of final consumption; and, secondly, the notable increase of steamship lines and the improvement of landing facilities at Bordeaux and Havre have drawn a constantly increasing percentage of the breadstuffs import to those busy entrepôts for the north and the west of France.

Marseilles, however, still maintains a large wheat trade, particularly in those grades which come from India and the Levant, the total receipts of last year at this port being nearly 13,000,000 hundred weight. The fluctuations of this supply from the different sources, including the United States, will be clearly and concisely illustrated by the following exhibit, which shows the number of hundred weight of wheat received at Marseilles during each year since 1874 from each of the ten principal exporting countries:

WHEAT IMPORTS AT MARSEILLES.

Countries.	1874.	1875.	1876.	1877.	1878.
	<i>Octs.</i>	<i>Octs.</i>	<i>Octs.</i>	<i>Octs.</i>	<i>Octs.</i>
Russia	4, 378, 258	5, 194, 541	3, 142, 970	1, 740, 720	10, 166, 898
Austria	1, 986		14	66, 148	94, 000
Spain	431, 709	21, 049	1, 068	4, 533	6, 681
Italy	93, 820	102, 843	63, 742	293, 289	154, 636
Turkey	2, 568, 963	1, 705, 540	3, 911, 658	2, 179, 624	1, 343, 610
Egypt	3, 968	21, 724	88, 510	12, 150	132
Barbary States	785	8, 575	650	185	3, 746
East Indies	215, 436	207, 067	407, 068	142, 201	100, 943
United States		39, 024		87, 904	631, 169
Algeria	1, 253, 500	695, 498	981, 827	773, 685	181, 264
Other countries	3, 989	703	99	8, 447	5, 264
Total	8, 951, 944	7, 991, 564	8, 547, 606	5, 308, 886	12, 688, 343

Countries.	1879.	1880.	1881.	1882.	1883.
	<i>Octs.</i>	<i>Octs.</i>	<i>Octs.</i>	<i>Octs.</i>	<i>Octs.</i>
Russia	7, 688, 825	6, 003, 289	3, 584, 718	5, 226, 000	4, 861, 618
Austria	14, 163	18, 994	45		384
Spain	2, 390	15, 823	37	8, 494	264
Italy	120, 683	409, 006	247, 140	117, 853	133, 693
Turkey	2, 163, 181	662, 608	1, 109, 112	1, 590, 990	2, 584, 561
Egypt	101, 700	330, 435	39, 236	75, 726	31, 737
Barbary States	2, 455	16, 897	27, 809	5, 067	32
East Indies	25, 709	708, 197	2, 428, 191	3, 232, 815	2, 948, 398
United States	998, 155	1, 567, 170	1, 061, 890	1, 106, 648	787, 583
Algeria	423, 390	1, 333, 280	636, 217	526, 984	260, 557
Other countries	41, 810	765, 410	1, 054, 762	768, 408	1, 182, 161
Total	11, 582, 481	11, 831, 055	10, 188, 147	12, 623, 970	12, 797, 038

It will be seen from this that Russia, which in 1874 contributed nearly half the entire amount imported here, rose to nearly five-sixths

of the total import in 1878, and has declined to about one-third of the same last year.

From the East Indies, which are becoming the great bugbear of American wheat-growers, the importation has steadily and strongly increased from 215,436 cwts. in 1874 to 2,948,398 cwts. in 1883. While it may seem strange that a country which, four or five years ago, was scourged by a widespread and disastrous famine, should claim consideration as a source of surplus breadstuffs, the fact remains that India has in that respect some important and peculiar advantages. Her swarming population renders agricultural labor so cheap as to practically offset the American advantages of cheap inland transportation and improved agricultural methods and machinery. The people of India subsist almost wholly upon rice; a large proportion of their wheat is, therefore, available for export. They are frugal, industrious, and possess a fertile soil under a climate which involves no risk from winter-killing. The distance of India from European markets has been so far modified by the opening of the Suez Canal and by the regular lines of steamships which now throng that important avenue of commerce that Madras and Bombay are in as direct and easy connection with Marseilles and Trieste as are New York and New Orleans, so that in forecasting the future bread trade of the world the Hindoo wheat-grower must be taken into serious account.

From the foregoing table it will be seen that the importation of American wheat at Marseilles began in 1875 with a trifle of 39,024 cwts.; that it entirely ceased the following year; was resumed in 1877, and has since increased to 1,567,170 cwts. in 1880 and 787,583 in 1883. The statistics for the present year are, of course, not yet available, but the indications are that the imports of American wheat during 1884 will be not less than those of the past year.

The French people, although extraordinary consumers of bread, are, as a rule, content with the darker and less expensive grades of wheat and flour. Only the American red winter wheat is now imported here to any extent, and that is usually of grade No. 2. It is, however, held in high estimation by French consumers, and is gradually superseding the somewhat similar grades of Russian wheat which are known commercially as "Berdianska" and "Marianopoli."

The native wheat of Southern France is mainly of the white "bluestem," or beardless winter variety, which is known commercially as "Tuzelle de Provence." In value it heads the list of all grades known in the market. The same grain is grown in the French provinces of Africa under the names of "Tuzelle d'Afrique" and "Tuzelle d'Oran," but it is slightly inferior in value to the white wheat of Provence. These and the white Australian wheat, which is now imported to some extent, supply the highest grades of flour for fine bread and pastry, and as such bar any demand which might otherwise exist for the high-grades of white wheat of the United States. We come now to the practical question: Can the importation of American wheat at Marseilles be increased?

With the low prices which now prevail in the United States, the large surplus left over from last year, the now almost certain prospect of a another large harvest, and the present very cheap, abundant, and direct means of shipment from New York, Baltimore, and New Orleans to this port, it would seem that there must come this season an unusual opportunity in this direction. From all that is now apparent, it may be fairly assumed that the local wheat crop of France will show about an average yield, so that the usual quantity will be imported during the coming year.

WHEAT VALUES AT MARSEILLES.

As a basis for estimating the promise of this market to American exporters, the following schedule is given, showing the present wholesale values, in cwt. and dollars, of the twenty-nine different kinds of wheat which monopolize this market. The prices given are for the grain in bond, and there should be added a duty of 6 cents per cwt. on all the imported wheats, except those coming from the French provinces in Africa. It will also be understood that in the French market wheats are classified as *tendre* (soft) and *dur* (hard), the former being preferred for fine flouring, while the latter are used for cracking and for the coarse ordinary grades of flour:

	Per cwt.
Native and French-African (not subject to duty):	
Tuzelle de Provence	\$2 33 to \$2 40
Tuzelle d'Afrique.....	2 11 to 2 19
Tuzelle d'Oran	2 27
Afrique dur	1 71
Russian:	
Azima azoff	1 80
Berdianska dur.....	1 68
Nicolatiff.....	1 80 to 1 84
Jrka Odessa	1 76
Marianopolis	1 76
Taganrock	1 76
Poland.....	1 84 to 2 01
Roumanian:	
Danube.....	1 58
Bessarabian	2 04
Turkish:	
Red Salonica.....	1 62
White Salonica.....	1 68
Burgas.....	1 76
Varna.....	1 56
Nicopol	1 76
Italian:	
White Richelle	2 23
Red Richelle	2 13
East Indian:	
Bombay white No. 1 A	1 93
Bombay white No. 1	1 84
Bombay dur No. 3	1 80
Bombay dur No. 4	1 77½
Bombay dur No. 5.....	1 69½
Bombay dur No. 6	1 58
Australian:	
White.....	2 28
American:	
Red winter No. 2.....	1 97 to 2 01

The estimate may therefore be completed by taking into account the market values of wheat at the principal ports of the United States, and the cost of freight thence to this port.

FRANK H. MASON,
Consul.

UNITED STATES CONSULATE,
Marseilles, May 27, 1884.

ITALIAN SUMAC.

REPORT BY CONSUL CARROLL, OF PALERMO, ON THE CULTIVATION AND PRODUCTION OF SICILY.

Referring to instruction numbered 82, dated May 10, 1883, addressed to my predecessor, requesting him to prepare a statement showing the sumac crop of Sicily for the year 1882 and the probable crop of 1883, together with such other information concerning Italian sumac, its cultivation, manufacture, exports, or as may be practicable, I have the honor to submit the following:

Production.—The crop of 1882 was considered medium as to quantity but good as to quality, the entire production of the island for that year aggregating about 300,000 cantara, or 23,437 tons. The inverse was the case as to the crop of 1883, it being deemed good as to quantity but inferior as to quality, aggregating about 280,000 cantara, or 21,875 tons.

It is proper to state, however, that the above is merely an estimate, which is believed to be nearly correct, but in view of the numerous dealers in sumac as well as of those engaged in its cultivation it is impossible to be strictly accurate in a statement of this character unless a personal visit should be made to each producer.

With reference to the crop of 1884 it is believed it will be good, as all things requisite thereto have thus far been in its favor, and should they continue it is understood it will excel in quantity and quality those of the two preceding years.

Cultivation.—In connection with the cultivation of sumac, I beg to say that the "shoots" are cut and placed in the ground in the months of November and December. In about two years these "shoots" become plants, yielding very little at first, but finally becoming quite prolific. Excessive rains and heavy dews are very injurious to the sumac crop at certain stages, and upon these to a large extent depend its quantity as well as its quality. Dry and warm weather in August is essential to the strength of the sumac leaves. The crop usually matures in August and September. The plant is generally cultivated on rocky mountains, where nothing else will grow, and in poor or sterile plains. Those around and in the vicinity of Palermo, it is said, produce the best sumac on the island of Sicily. That which is produced in other portions of the island is usually shipped to Palermo, thence exported to various countries, but principally to the United States, after being ground in steam mills or the leaves pressed into bales. When the crop becomes ripe it is cut, separated from the stalks, and exposed to the sun in order to dry for ten days.

PHILIP CARROLL,
Consul.

CONSULATE OF THE UNITED STATES,
Palermo, Italy, May 21, 1884.

TRADE BETWEEN NAGASAKI AND THE UNITED STATES.

Statement showing the imports and exports between Nagasaki, Japan, and the United States for the year 1883.

Articles.	Imports.		Exports.	
	Amount.	Value.	Amount.	Value.
Antimony.....pounds..	25	\$6 50		
Barometers.....number..	6	3 00		
Beverages.....		133 20		
Books.....		403 00		
Brushes.....		8 20		
Butter.....		1,839 28		
Cakes.....		113 00		
Cheese.....		213 31		
Clocks.....number..	478	1,049 47		
Clothing.....		450 00		
Cotton canvas.....yards..	1,829	328 14		
Eau de cologne.....dozen..	2	12 00		
Flour.....pounds..	68,905	2,650 35		
Fruits and vegetables.....		136 44		
Furniture.....		270 00		
Glassware.....		159 11		
Hats.....number..	3	15 00		
India rubber ware.....		680 45		
Iron nails.....pounds..	20,000	675 00		
Ironware.....		50 00		
Kanten (colle vegetale).....				\$8 00
Lamps.....		145 00		
Matches.....		250 00		
Medicines.....		351 00		
Milk, condensed.....		152 00		
Musical instruments.....		508 51		
Oil:				
Castor.....		73 50		
Kerosene.....boxes..	214,598	229,306 74		
Turpentine.....gallons..	540	381 85		
Paper.....		445 00		
Porcelain.....		168 58		9 50
Provisions.....		4,132 57		
Sake (Japanese liquor).....				10 00
Sea-weed, uncut.....				3 00
Seeds.....		25		
Shoe blacking.....dozen..	40	105 50		
Spice.....		11 30		
Soap:				
Toilet.....dozen..	8	6 00		
Washing.....		9 58		
Stationery.....		52 00		
Sugar, candy.....pounds..	2,196	243 33		
Tea.....			554,889	47,142 00
Tea dust.....			42,459	858 97
Tooth powder.....		39 00		
Varnish.....		27 28		
Wine:				
Cider.....dozen..	1	27 00		
Liqueur.....do..	2	32 00		
Port.....do..	1	7 50		
Sherry.....do..	1	2 88		
Whisky.....do..	15	150 00		
All other articles.....		402 96		
Total.....		246,221 76		48,023 47

ALEXANDER C. JONES,
Consul.

CONSULATE OF THE UNITED STATES,
Nagasaki, Japan, April 29, 1884.

WHOLESALE COMMERCE AT MARSEILLES—IMPORTANT ANNOUNCEMENT TO AMERICAN SHIPPERS.

REPORT BY CONSUL MASON.

The company of docks and warehouses at Marseilles has recently issued a prospectus which is of paramount interest and importance to all exporters of American products to French markets, as well as to American purchasers of the varied merchandise of Southern France, Africa, the Levant, and the East which is collected at and distributed from this busy and cosmopolitan port.

This comprehensive circular—a copy of which is inclosed with this report—announces that the company is about to establish the same system of regular periodic public sales of consigned merchandise which has been found so effective and satisfactory at Liverpool, London, Antwerp, and Amsterdam. By this system the foreign owner of such merchandise may secure several important advantages which he has not hitherto enjoyed at any port in France.

The scheme, which it is now proposed to put into practice at Marseilles, is so similar in its scope and details to those which are now in successful practice at Liverpool and London, that it will require no especial commendation to any one familiar with the present methods of business at those great marts of maritime commerce. It will be pertinent, however, to say that the company of docks and entrepôts at Marseilles was established in 1859; that it has since then expended in improvements more than 52,000,000 francs; that it handles annually about 1,800,000 tons of various merchandise, and that it offers all desirable security and convenient facilities for the prompt, safe, and economical transaction of business. The operations in respect to which the company offers its services are—

- (1.) Landing and shipping goods to destination by rail.
- (2.) Landing and re-exporting by sea.
- (3.) Landing and storing in warehouse.
- (4.) Receiving and selling at public auction on fixed and regular dates.

The most important new feature of the present announcement relates to the periodic auction sales of consigned merchandise to be hereafter made under the auspices of the company. Beginning with Monday the 7th of July next, these sales will commence on the first Monday of each month and be continued thenceforward daily until all the goods designated for sale are disposed of. The merchandise which is to be offered at these auction sales will include sugars, coffee, drugs, indigo, spices, timber and sawed lumber, ivory, cotton, rubber, silks, silk and cotton waste, leathers, hides, salted meats, lard, oils, grains and seeds, rice, flour, oil-cake, metals, minerals, rags, chemical products, wines, liqueurs, raisins, &c.

The conditions of sale are stated in the prospectus of the company as follows:

I. The sales will be made at auction, under the direction of the brokers registered by the tribunal of commerce at Marseilles, who are exclusively authorized to make public sales.

II. The merchandise must be delivered to the company fifteen days at least before the day of the sale, this delay being necessary for classification, allotment and publicity. The delivery should be accompanied with the instructions of the owner of the

merchandise or his representative, and with the notification of the lowest price asked.

III. The goods, when classified, will be exhibited for examination in the company's warehouses during five days prior to the sale; the samples and orders for lots will also be placed at the disposal of commerce five days in advance.

IV. The purchasers will have to take charge of their goods within a period of five days after the sale. The goods shall be paid for, promptly, before being taken away, into the hands of the owner or his attorney at the company's cash office. They shall not be delivered without payment except upon a formal order from the party concerned.

V. In case of non-payment within the above specified time, the merchandise will be put up for resale at the costs, risks, and perils of the purchaser.

VI. Over and above the costs of landing operations, storing, allotting, and others, which shall be paid to the Company of the Docks, in conformity with the rates of its tariff, there will be collected from the vendor, by the said company, 25 centimes per 100 francs (0.25 per cent.) on the amount of the sale, to cover expenses for advertisements, management, and sales-room rent.

VII. The purchaser will pay, as customary, the broker's fee (0.5 per cent.) and the costs for receiving the merchandise, which will remain, from the moment when its price is paid, at his costs, risks, and perils.

In other words, the Company of Docks and Warehouses at Marseilles, with its vast equipment of wharves, lighters, sheds, storehouses, its direct railway connections and its facilities for passing goods through complicated custom-house formalities, offers its services as a competent and responsible commission merchant for the reception, sale, or reshipping of merchandise imported from abroad; and, on the other hand, its monthly sales will offer an open market in which French, Oriental, or Mediterranean products can be most advantageously purchased by American importers or their agents for shipment to the United States.

When merchandise is stored in its warehouses, the company issues to the owner thereof, if he desires, receipts or warrants which are available as collaterals in the money markets of Marseilles or Paris.

All its business being done on the largest scale, its classifications of merchandise are equitable, and its charges for storage and handling are at minimum rates. Its prospectus shows in detail the various items of expense incident to the handling of each product. As an example which will illustrate fairly the entire system, I translate from the prospectus of the company its schedule for cotton and the preliminary observations which apply to all classes of merchandise.

PRELIMINARY OBSERVATIONS.

The goods addressed to the "Docks et Entrepôts" of Marseilles are landed at the rates of two different tariffs: (1) The general tariff, and (2) the special tariff, No. 4, or steamships' tariff.

I. The landing under the rates of the general tariff is only done in presence of the bearer of the bill of lading, after he has fulfilled the custom-house formalities. Forty-eight hours after being landed the goods must be taken away or reshipped by rail or by sea or stored.

II. Steamers, owing to their few lay-days, generally discharge their cargoes under the rates of special tariff No. 4. The whole cargo is taken out of the ship, deposited in storerooms or sheds, classified and kept at the disposal of the bearers of the bills of lading for a term of five days, after which, and until it is either taken away or placed in storerooms, the merchandise bears a tax fixed as follows (per package and per day):

Goods in hogsheads and casks.....	\$0.029
Goods in tierces and puncheons.....	0.012
Goods in barrels.....	0.008
Goods in bales.....	0.096
Goods in bags and mats.....	0.004
Goods in parcels.....	0.096
Goods in boxes, less than 441 pounds.....	0.096
Sugar in boxes:	
Brazil.....	0.023
Havana.....	0.096
Lumber, timber and, metals.....	0.004

All classes of merchandise in bulk or not otherwise specified, \$0.004 per 220 pounds and per day.

III. If the merchandise is delivered or reshipped by rail or by sea within the term of time specified in the tariff the costs of storing, storage, and insurance specified in the following schedule of charges are not to be taken into account, but those relating to receiving and weighing previous to delivery are:

Schedule of charges per ton of 2,204.6 pounds on cotton in pressed bales.

Description.	General tariff.	Special tariff.
1. Taking out of ship's hold, if necessary.....	\$0.096	\$0.096
2. Landing.....	0.144	0.386
3. Insurance while landing for each period, the first of six days after landing is completed, the others of five.....	0.144	0.021
4. Custom-house permits and formalities.....	0.019	0.019
5. Stowing in warehouse, receiving, weighing, and carting.....	0.772	0.772
6. Storage per month, the month commenced, of less than sixteen days, counting for one-half month only.....	0.193	0.193
7. Insurance in warehouse per 1,000 francs, and per month, the first month to be paid for in full, the others by periods of fifteen days.....	0.063	0.063

If the merchandise is delivered as soon as landed or reshipped by rail or by sea the charges specified under Nos. 5, 6, and 7 do not come into account, but the company collects the receiving and weighing charges, which are \$0.289 per ton of 2,204.6 pounds. In case of sales at the landing these charges are generally paid by the vendor.

If the merchandise is delivered from the warehouse the purchaser pays the charges for taking out of the storeroom and weighing, which amounts to \$0.289 per ton of 2,204.6 pounds.

When the merchandise, whether delivered from the warehouse or from the wharf, is to be reshipped by sea or by rail it is, besides, subject—

For shipment by sea, to the shipping charges, say, per ton of 2,204 pounds \$0.144, and to the cost of transportation to the wharf if necessary.

For reshipment by rail, to the charges for lading and carting.

The insurance provided for in the schedule under Nos. 3 and 7 ceases, from the moment when the goods have been weighed; from that moment the merchandise may be insured upon special request, on the premium of \$0.004 per 1,000 francs (\$193) and per period of twenty-four hours.

The merchandise to be delivered from the wharf or from the warehouse must be taken away on the working-day immediately following that on which it has been weighed; thenceforward, there is due a "stationnement" tax of \$0.01 per bale and per day \$0.01. This "stationnement" cannot exceed one-half month of storage, say, per ton of 2,204.6 pounds, \$0.096, as the goods are, without previous notice, placed in the warehouse after it has been left on the company's grounds for a few days.

When the purchaser of goods already stored leaves the same in the warehouse in his own name he has to pay—

The charges for unstowing, say (per ton of 2,204 pounds).....	\$0.096
The charges for weighing, say.....	0.173
The charges for restowing, say.....	0.173

Total..... 0.442

The charges for packing, repairing, marking, &c., are collected separately on rates fixed by the company's special tariffs.

There is now in progress in France a vigorous, intelligent effort to improve and modernize its hitherto somewhat conservative and antiquated business methods. The present step on part of the Company of Docks and Entrepôts at Marseilles is a part of this movement.

From the letters of inquiry which are received at this consulate it is apparent that there are in the United States numerous exporters of raw or partially finished products who would be glad to make experiments in the French market if they could only be assured of competent, trustworthy facilities and a fair, untrammelled exchange market in this important sea-port which, by virtue of its location and its unsurpassed shipping connections with all maritime countries, has become the chief point of collection and distribution in Southern Europe. It is

the purpose of the present enterprise to offer such facilities and thereby fulfill a tangible and recognized want.

The long and honorable record of the company, its experience and its large facilities would seem to offer a satisfactory guarantee that its promises will be ably and faithfully fulfilled.

FRANK H. MASON,
Consul.

UNITED STATES CONSULATE,
Marseilles, May 20, 1884.

SUEZ CANAL TRAFFIC.

REPORT BY CONSUL-GENERAL POMEROY, OF CAIRO.

With reference to my report on the Suez Canal, transmitted to you on the 18th of February ultimo,* I have the honor, together with a quarterly report from the 1st January, ultimo, to the 31st March, ultimo, on the traffic of said canal, herewith inclosed, to report the following modifications introduced in the administration of this gigantic enterprise, viz :

(1.) That vessels in ballast, commencing from the 1st of January of the current year, will pay the tax of 7.50 francs only, on the net tonnage, instead of 10 francs paid by owners up to the end of last year. This, however, is applicable to commercial vessels only, the men-of-war continuing to pay as before 10 francs.

(2.) In consequence of the convention of February 21, 1876, concluded between M. de Lesseps, president director of the Universal Company of the Maritime Suez Canal, furnished with full powers from the council of administration, and Col. Sir John Stokes, empowered by Her Britanic Majesty's Government, and duly authorized by the different maritime powers, subject to a protocol signed at Ismailia, on the 3d of January, 1876, which was entitled "Arrangement destined to put an end to the differences existing between the maritime powers and the company of the Suez Canal," which was accomplished by the intervention of said Col. Sir John Stokes after a series of long negotiations, it was decided that all vessels of commerce paying 10 francs on the gross tonnage up to the date of the signing of the convention, which was approved by the Sublime Porte on the 30th of March, 1877, should be surtaxed with an additional tax of 4 francs per ton, payable on the net tonnage. In return for this modification the British Government undertook to negotiate with the canal company, with a view to substitute to the dispositions relative to the ultimate decrease of the surtax an arrangement by virtue of which the first decrease of 50 centimes should begin on the 1st of January, 1877; the second decrease of 50 centimes on the 1st of January, 1879; the third on the 1st of January, 1881; the fourth on the 1st of January, 1882; the fifth on the 1st of January, 1883, and the sixth on the 1st of January, 1884; so that, from this latter date, the surtax would be extinguished, and the maximum of 10 francs only per ton on the official net tonnage would be allowed to be levied.

This arrangement has fully and faithfully been carried out to the utmost satisfaction both of the ship-owners and the company of the Suez Canal.

In pursuance with the preceding dispositions, the last reduction of 50 centimes was effected on the 1st of January, ultimo, from which date all vessels of commerce are being levied, as I have already said, the reduced tax of 10 francs per ton on their net tonnage.

It is now reported that ultimate negotiations between the canal company and the ship-owners have resulted in an arrangement of a further reduction of 50 centimes for the 1st of January, proximo, whatever may be the traffic of the canal during the current year. The operations of the canal seeming very satisfactory since the commencement of this year, there exists not the slightest doubt as to the application of this condition, which is so beneficial to navigation.

(3.) The special dues of pilotage are to be suppressed from the 1st of July, proximo, until further notice. This is left optional and to the consideration of the canal com-

*Published in Commercial Relations for 1882 and 1883. Annual report.

pany, which, if it meet with a continuance of favorable operations, will abolish this tax definitely. This is a most necessary step if not an absolute one, as it will cause the discontinuance of numerous and frequent claims on the part of ship-owners. This tax being based on the terms of the regulations, which prescribe that the dues are to be levied on the draught of water of each vessel, and not on the tonnage, was always variable, consequently uncertain, and thereby an element of trouble to the commercial affairs. The proceeds of this tax, representing 6 per cent. on the whole annual revenue of the canal, would be recovered by an augmentation of $6\frac{1}{2}$ per cent. on the traffic; this seems to be secured by the brilliant results obtained since the commencement of this year, which show an increase of $10\frac{1}{2}$ per cent. on the receipts of the first three months of last year.

G. P. POMEROY,
Agent and Consul-General.

AGENCY AND CONSULATE-GENERAL
OF THE UNITED STATES,
Cairo, April 19, 1884.

QUARTERLY REPORT ON THE GENERAL TRAFFIC OF THE SUEZ CANAL
COMMENCING JANUARY 1, 1884, AND ENDING MARCH 31, 1884.

Commercial traffic via the Suez Canal.

FROM EUROPE TO ASIA.

Articles.	Quantities.	Articles.	Quantities.
	<i>Tons.</i>		<i>Tons.</i>
Manufactured goods and various others.....	794, 410	Submarine cable.....	6, 810
Steam coals.....	414, 560	Salt.....	9, 780
Iron and rails.....	11, 430	Petroleum.....	8, 380
War material.....	87, 620		

FROM ASIA TO EUROPE.

Merchandise and various products.....	362, 400	Indigo.....	1, 130
Wheat.....	42, 530	Teakwood.....	9, 400
Oleaginous grains.....	34, 670	Gall-nutts.....	4, 820
Rice.....	196, 410	Gums.....	1, 700
Tea.....	13, 500	Tobacco.....	3, 900
Sugar.....	21, 850	Jute and textiles.....	6, 270
Wool.....	9, 610		
Copper.....	3, 700	General total.....	1, 989, 380

FROM EUROPE TO ASIA.

Destination.	No. of vessels.	Destination.	No. of vessels.
Bombay.....	152	Macao.....	2
Calcutta.....	70	Aden.....	31
Madras.....	2	Gardafui.....	1
Colombo.....	20	Suakin.....	17
Poente de Gallo.....	11	Djeddah.....	7
Kurrachoe.....	9	Perim.....	2
Batavia.....	19	Zanzibar.....	3
Singapore.....	43	Manila.....	6
China.....	42	Suez.....	6
Hong-Kong.....	5	Persian Gulf.....	3
Tonkin.....	15	Maurice.....	1
Yokohama.....	2	Assab.....	1
Saigon.....	10	Madagascar.....	1
Rangoon.....	16	Siberia.....	5
Australia.....	41		
New Zealand.....	3	Total vessels.....	556
Noumea.....	5		

TRAFFIC THROUGH THE SUEZ CANAL.

Commercial traffic via the Suez Canal—Continued.

FROM ASIA TO EUROPE.

Destination.	No. of vessels.	Destination.	No. of vessels.
United Kingdom.....	156	Trieste.....	11
Port Said (for orders).....	51	Amsterdam.....	13
Malta (for orders).....	30	Rotterdam.....	7
Marseilles.....	41	Antwerp.....	15
Toulon.....	5	New York.....	5
Dunkirk.....	8	Lisbon.....	6
Havre.....	6	Hamburg.....	4
Rouen.....	3	Bremen.....	2
Lorient.....	2	Compenhagen.....	1
St. Nazaire.....	1	Constantinople.....	2
Genoa.....	19	Alexandria.....	
Catania.....	1		
Venice.....	2	Total.....	393

Where from—	No. of vessels.	Where from—	No. of vessels.
India.....	2	Suakin.....	5
Kurrachee.....	120	Zanzibar.....	6
Birman Empire.....	7	Japan.....	1
China.....	61	Noumia.....	6
Singapore.....	43	Nossi Bé.....	3
Manila.....	8	Mozambique.....	1
Australia.....	10	Djeddah.....	1
Batavia.....	34	Réunion.....	2
Persian Gulf.....	24		1
Tonkin.....	7	Total vessels.....	393
Saigon.....	3		

Traffic and receipts.

Flag.	No. of vessels.	Net tonnage.	Gross tonnage.	Receipts.
English.....	736	1, 276, 531. 910	1, 801, 444. 250	<i>France.</i> 13, 836, 935. 15
French.....	76	148, 180. 431	216, 775. 986	1, 669, 091. 46
Dutch.....	36	66, 278. 860	89, 803. 230	719, 680. 13
German.....	36	47, 525. 210	66, 132. 880	513, 659. 79
Italian.....	15	33, 406. 620	46, 861. 120	354, 813. 11
Austro-Hungarian.....	18	27, 236. 470	37, 672. 850	322, 631. 57
Spanish.....	13	26, 001. 160	36, 876. 360	284, 790. 83
Russian.....	6	5, 588	15, 445. 350	127, 904. 40
Norwegian.....	7	9, 290. 560	12, 708. 710	101, 720. 60
Portuguese.....	2	1, 656. 310	2, 780. 290	21, 671. 80
Belgian.....	1	1, 623. 840	2, 220. 130	17, 610. 40
American.....	1	1, 625. 480	2, 390. 460	17, 564. 80
Ottoman.....	1	439. 640	640. 810	5, 211. 90
Egyptian.....	1	279. 170	566. 040	3, 142. 70
Total.....	949	1, 649, 663. 661	2, 334, 318. 466	17, 996, 428. 64

Of the 949 vessels there were 716 steamers of commerce, 159 postal vessels, 13 in ballast, 36 Government transporta, 7 gunboats, 4 cruisers, 3 olvisos, 2 iron-clads, 4 corvets, 2 yachts, 1 torpedo-boat, 2 carriers (porteurs).

Of the 949 vessels 536 have entered the canal from the Mediterranean and 393 from the Red Sea.

Of the passengers there were English military, 15,182; French military, 8,460; Turkish military, 2,282; Dutch military, 833; Russian military, 716; Spanish military, 322; Portuguese military, 288; Australian emigrants, 4,739; Siberian colonists, 1,265; Russian convicts, 525; civilian passengers, 8,639. Total, 44,270.

Medium sailing in the canal and medium tonnage per vessel.

	Effective sailing per vessel.	Total stay per vessel.	Net tonnage.	Gross tonnage.
1884.				
January.....	19 ^a 44 ^m	57 ^a 14 ^m	1, 750. 960	2, 477. 365
February.....	19 ^a 40 ^m	47 ^a 17 ^m	1, 763. 108	2, 503. 730
March.....	19 ^a 22 ^m	45 ^a 28 ^m	1, 702. 440	2, 407. 690

FIBER PLANTS OF MEXICO.

REPORT BY CONSUL-GENERAL SUTTON, OF MATAMOROS.

One of the most important factors of Mexican prosperity is the increasing of the natural products for export. The annual output of silver is, of course, the greatest, but this does not afford so certain a guarantee of steady prosperity as the increase in certain other products. Of these the fiber plants, henequen, ixtle, &c., are the most important.

For the year ending June 30, 1873, the export of silver dollars was \$22,626,064; henequen, \$809,919; ixtle, \$240,117.

In 1883 these exports were: Silver dollars, \$22,969,584; henequen, \$3,311,062; ixtle, \$596,532.

Of the silver about 75 per cent. goes out at Vera Cruz.

The henequen, which has increased some 400 per cent. in the period from 1873 to 1883, goes out almost entirely at Progreso.

The ixtle, which has increased 250 per cent. in the same time, goes out mostly at Tampico.

For convenience, I present the following tables, showing the exports of these fibers for the years mentioned. The values are stated in Mexican coin, which has now a declared value of 87½ cents on the United States dollar.

Exports of fiber plants for the fiscal years ending June 30, 1873, 1874, 1882, and 1883.

FROM WHAT CUSTOM-HOUSES EXPORTED.

(Values given in Mexican dollars, one Mexican \$ = 87½ cents American.)

	1873.	1874.	1882.	1883.
HENEQUEN.				
From Progreso.....	\$307,001	\$378,962	\$2,648,488	\$3,277,467
From Campeche.....	1,064	5,233	25,618	33,586
From all others.....	1,864	1,222	.....	10
	809,919	885,437	2,672,106	3,311,062
IXTLE.				
From Tampico.....	206,962	208,484	469,335	505,891
From Matamoros.....	32,985	12,694	95,003	87,312
From Vera Cruz.....	50	.....	40,599	25,952
From Nuevo Laredo.....	.....	.....	12,878	26,608
From all others.....	20	104	2,380	765
	240,017	221,232	620,195	596,532
Total	1,049,936	1,106,669	3,292,301	3,907,594

TO WHAT COUNTRIES EXPORTED.

HENEQUEN.				
To United States.....	\$582,292	\$699,985	\$2,265,272	\$2,677,487
To England.....	26,269	16,457	149,739	340,957
To Spain.....	241,388	168,263	150,808	172,864
To France.....	9,870	3,769	47,135	50,493
To Germany.....	100	1,082	59,152	69,761
To South America.....	.....	931	.....	.....
	809,919	885,437	2,672,106	3,311,062
IXTLE.				
To England.....	120,720	105,272	216,582	213,188
To United States.....	95,482	47,115	223,692	178,999
To Germany.....	615	6,890	150,906	180,863
To France.....	23,200	62,485	28,612	23,468
To South America.....	.....	.....	403	64
	240,017	221,232	620,195	596,532
Total	1,049,936	1,106,669	3,292,301	3,907,594

First half year 1884: Henequen, \$1,979,505; ixtle, \$199,440; total, \$2,178,945.

The henequen given in the above tables may be classed as hammocks, rope, and crude fiber.

The total exports for 1873 were \$909,919; of this amount \$8,000 was hammocks, \$7,000 of which went to the United States. The rope was \$211,000, of which Spain took \$209,000. Of the \$590,000 of cruder fiber, \$524,000 went to the United States, Spain took \$31,000, England \$24,000, and France the rest. Speaking generally, this proportion was maintained in the following years:

Taking the year ending June 30, 1883, the total exports were \$3,311,062. Of this amount \$90,860 were hammocks, \$90,185 of which went to the United States. The rope amounted to \$146,000, \$141,000 going to Spain. The crude fiber was \$3,073,000, the United States taking \$2,582,000, England \$340,000, Germany \$69,000, France \$50,000, and Spain the remainder.

The ixtle is substantially all rope and crude fiber. I am not able to class this for the first years. Of the total exports, \$240,000 for the year 1873, Great Britain took \$120,000, United States \$95,000, and France \$23,000.

For the year 1883 the total exports of \$596,000 was made up of crude fiber \$593,000, and \$3,000 rope. The former went—\$213,000 to England, \$180,000 to Germany, \$176,000 to the United States, and the remainder to France. The rope went to the United States.

I am unable to give the quantities of henequen and ixtle exported in previous years.

HENEQUEN.

In 1882 the exports amounted to 26,182,071 kilograms, or 57,600,556 pounds. Of this amount 24,925,637 kilograms was crude fiber, nearly all of which went from Progreso. The export value of this crude fiber averaged for the year about $4\frac{1}{2}$ cents per pound. In 1883 the exports were 66,152,700 pounds. Of this amount 28,763,307 kilograms was crude fiber, nearly all from Progreso. The export value of this crude fiber averaged for the year $4\frac{1}{2}$ cents per pound, the same as in the previous year. In the first year the United States took 84 per cent. and the last year 78 per cent. of all the exports of henequen. The import duty in the United States is \$25 per ton. Under the provisions of the new treaty with Mexico this fiber will be free of duty.

IXTLE.

In 1882 the exports amounted to 4,748,949 kilograms, or 10,477,754 pounds. Of this amount 4,744,995 kilograms was crude fiber. Tampico exported 3,571,601 kilograms; Matamoros, 636,571 kilograms; Vera Cruz, 313,144 kilograms; Nuevo Laredo, 214,639 kilograms. The export value averages about $5\frac{2}{3}$ cents per pound.

In 1883 the exports were 5,183,024 kilograms, or 11,402,653 pounds. Of this, 5,142,172 kilograms was crude fiber. Tampico exported 4,441,465 kilograms; Matamoros, 301,577 kilograms; Nuevo Laredo, 202,915 kilograms; and Vera Cruz, 194,936 kilograms. The export price averages about $5\frac{1}{2}$ cents per pound.

Ixtle was formerly free of duty in the United States. Under the new tariff of March 3, 1883, it was thought that ixtle would be rated at \$15 per ton, and importers have paid duties at that rate, but a recent decision of the Treasury Department classes it as a dried fiber and freed of duty. It is also placed on the free list in the proposed treaty with Mexico.

Henequen is the most important so far of these fiber plants, and the exports bid fair to steadily increase.

The ixtle is of two kinds, magney and lechuguilla. Beside these there are the pita, or Spanish dagger, the nopal, a species of cactus, and a great number of plants and grasses which are likely to be found of great value. A considerable portion of Northern Mexico is covered with the cactus, which ought to be valuable for paper material.

Without having exact information, it is my opinion that these fiber plants will amply repay an extended inspection to find out their fitness for certain uses. One of the most serious obstacles has been the difficulty of preparing ixtle and other fibers. All, or nearly all, the work has been done by hand. Within the last few years inventors have been occupied in devising some machine which would do this work. Various persons have taken out patents for different machines, the success of which has not been fully shown.

I have spoken of the great number of these fiber plants and grasses which are found in Mexico. The present supply is almost unlimited, and if profitable they could be easily cultivated.

Under present climatic conditions large tracts of land in Mexico are valueless for anything but such fiber plants. The demand for such products, already very large, is one that will steadily increase. The United States imported \$16,500,000 worth of such products during the year ending June 30, 1882, of which nearly \$11,000,000 was of the raw products. Mexico furnished more than \$2,100,000. The raw products cannot be produced in the United States, and as a result our manufacturers will continue to import largely to work up to supply our markets and for export. Nowhere else can the crude material be found in such quantities and so cheaply as in Mexico.

It will pay them to look into the capabilities of the various natural fibers of this country and make them useful. By the proposed treaty henequen and ixtle will be free of duty, and this will greatly increase the profits of handling. To show more fully the amount and value of the imports of such products I give the following table, showing the imports into the United States for the year ending June 30, 1882:

Imports into United States for the year ending June 30, 1882.

Articles.	Amount.	Value.	Price.
From Mexico:			
Cordage, rope, twine..... pounds.....	3,965	\$618	\$0 \$15½
Hemp, raw..... tons.....	51	5,787	111 18½
Jute and other grasses, raw..... do.....	19,233	2,161,939	107 19
Other manufactures of.....		75,249	
Total..... tons.....	19,286	2,143,543	
Cordage, rope, twine, from—			
England..... pounds.....	511,731	52,047	10½
Russia..... do.....	332,280	37,064	11½
Mexico..... do.....	3,965	618	15½
All others..... do.....	4,932	467	9½
Total..... tons.....	852,908	90,196	10½
Hemp, raw, from—			
Belgium..... tons.....	235	41,628	177 10½
China..... do.....	1,735	321,356	185 22
Denmark..... do.....	193	20,835	108 47½
Germany..... do.....	903	87,595	100 08½
England..... do.....	2,165	303,020	139 49½
Scotland..... do.....	181	32,205	172 95½
Hong-Kong..... do.....	2,515	409,442	162 68
Italy..... do.....	222	41,890	186 09½
Mexico..... do.....	51	5,737	111 18½

Imports into United States for the year ending June 30, 1882—Continued.

Articles.	Amount.	Value.	Price.
Hemp, raw, from—			
Dutch East Indies.....do.	326	\$54, 133	\$172 18 $\frac{1}{2}$
Russia.....do.	1, 009	121, 341	120 25 $\frac{1}{2}$
Spanish possessions in Africa.....do.	500	80, 990	161 98
Other Spanish possessions.....do.	26, 725	4, 524, 882	169 31 $\frac{1}{2}$
All other countries.....do.	19	3, 003	158 06 $\frac{1}{2}$
Total.....	36, 679	6, 110, 152	166 88 $\frac{1}{2}$
Jute and other grasses, raw, from—			
British East India.....tons.	64, 837	2, 623, 001	40 76
Mexico (henequen).....do.	19, 233	2, 061, 939	107 19
All other countries.....do.	116	25, 252	217 69
Total.....	84, 186	4, 710, 192	55 95
Jute and other grasses, manufactures of, from—			
Scotland.....yards.	1, 299, 813	64, 913	5
England.....do.	412, 728	54, 166	13 $\frac{1}{2}$
China.....do.	254, 261	11, 250	4 $\frac{1}{2}$
Total.....do.	1, 966, 802	130, 329	6 $\frac{1}{2}$
Gunny cloths, &c., from—			
Scotland.....pounds.	2, 478, 782	119, 244	4 $\frac{1}{2}$
Mexico.....do.	254	30	11 $\frac{1}{2}$
All others.....do.	233, 070	12, 542	5 $\frac{1}{2}$
Total.....do.	2, 712, 106	131, 816	4 $\frac{1}{2}$
Gunny cloths, &c., other manufactures of from—			
Scotland.....		3, 170, 368	
England.....		552, 917	
British East Indies.....		825, 966	
Hong-Kong.....		411, 847	
China.....		329, 094	
Mexico.....		75, 219	
All others.....		34, 634	
Total.....		5, 400, 045	

The following article from the Mexican Financier will give additional information and show that the importance of the subject is attracting attention in Mexico.

WARNER P. SUTTON,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Matamoros, June 9, 1884.

(Inclosure in Consul-General Sutton's report.)

THE FIBER PLANTS OF MEXICO.

[From the Mexican Financier, May 3, 1884.]

It is the belief of many well-informed men here in Mexico and in the United States that no natural product of the country will so well repay attention and industry as her fiber plants. Of these plants she possesses an almost unlimited supply—though at present limited by the crude and slow methods of treatment prevailing—while throughout the globe an unfailing and almost unlimited demand exists. We say unfailing because the great land products—the wheat, corn, and cotton—must be moved. Monetary depression, panics or wars may interfere to prevent the growth or the carrying on of other industries, but the nations of the world must be fed and clothed. By the use of fiber-made articles—bags and bagging, twine and cordage—these immense land products are packed and prepared for transportation. Ages of test and experiment have proved that the use of these articles provides the cheapest and best modes for so doing. In the United States alone 5,000,000 fiber-made sacks are used each year for handling cotton seed, cake, and meal. The largest market in the world for fibers

and fibrous products exists in the United States, Mexico's next door neighbor. Besides the products of cotton, enormous quantities of fibrous material are utilized in the handling of the cotton crop itself. Immense quantities of jute are used in handling the grain crop and its products. Fiber in the shape of twine is used in enormous amounts in harvesting the grain crop of the United States. Besides being a larger consumer of fiber in these forms than all the rest of the world, the United States is the largest consumer of fiber in miscellaneous fabrics, employing it in a greater variety of uses than all other countries together.

Thus, at the doors of this country, there stands the readiest of purchasers. The value of henequen exported from this republic in the five years, from 1877 to 1882, amounted to \$1,649,850.88, or a yearly average of \$330,000, approximately. The export of the same article in the single year 1883 increased to \$3,311,062, or more than tenfold. The increase for 1884 will be proportionate. Henequen fiber thus assumes the first place, after the precious metals, on our export list, with the magney, ixtle, pita, and other fiber-leaved plants. That this production and export may closely approach, or fully reach the very first place, dethroning the precious metals, seems by no means an extravagant opinion when the facts upon which it is based are considered. Henequen, ixtle and sisal grass now pay an import duty in the United States of \$15 a ton, and India hemp, India manila and other like substitutes for hemp, \$25 a ton. Under the reciprocity treaty between this country and the United States, Mexican fibers are admitted free of duty. In consequence the heavy duty on manila hemp, India jute, &c., must cause a displacement of those articles in favor of our Mexican fibers, just as Mexican henequen has for general use, as well as for harvesting, already in the manufacture of twines displaced or superseded manila hemp, the fiber of the plantain of the Philippine Islands.

An India-jute grain sack weighs from 3 to 3½ pounds, and costs in New York about 25 cents. A Mexican magney grain sack of equal capacity weighs but 2 pounds, and costing not 20 cents, fully replaces it. The magney is both stronger and lighter, and, even apart from the item of tariff, is cheaper than the jute, and in the manufacture of cotton bagging, cotton-seed bags, and ore sacks it must continue its work, already so well begun, of displacing the foreign fiber. The magney will always be cultivated in Mexico extensively, if for nothing more than its products of pulque, mescal, and tequila, and the extent of its present cultivation may be imagined when we consider the thousands of gallons of pulque, the fermented sap of the magney, which are daily consumed in the City of Mexico alone. There are single haciendas almost wholly devoted to the cultivation of the magney for pulque, some of the largest fortunes in the country have come from production of pulque, and the value of the pulque produced on some of these haciendas amounts to over \$100,000 a year. The plants, after the pulque has been extracted, die, and the fiber has been comparatively little utilized on account of the lack of adequate means to manipulate it. But with the mechanical devices now available for that purpose this can be easily and profitably done, and the fiber products of the magney will add immensely to the value of the crop, standing in a similar relation to the regular products as that of cotton seed, formerly a waste product, to the regular cotton crop.

Ixtle is another important fiber whose export is growing. The value of the exports in 1883 amounted to \$596,533.23. It was consumed principally in the manufacture of brushes of all kinds, both in Europe and the United States, and a smaller portion especially selected was spun into thread.

It has been demonstrated that jute, which is now one of the greatest staples of India, can be grown with great ease and abundance throughout the hot lands of the coast. In recent years all exports of flour from the United States have been made in sacks of India jute. These sacks are seamless, made on looms constructed for the purpose, and the number used annually is enormous. The history of jute shows what may be expected from Mexican fibers. The increase of its production has been enormous. Its use in manufactures was not begun until 1823. This was in Dundee, Scotland, where the industry now employs over 30,000 people in more than 100 mills. India derives over \$100,000,000 a year from its jute culture. The production amounts to 2,500,000 bales a year. The demand increases so that the price is steadily advancing, although the advance has been confined chiefly to the better grades. India produces a great amount of very inferior grades, not equal to the demands of the manufacturers, owing to the unintelligent cultivation and manipulation practiced there. It is here that Mexico's opportunity comes in, for by the aid of machinery the fiber can be extracted in first-class condition and bring correspondingly high prices. Government aid has been promised to efforts for the introduction of jute culture in this country, and the reciprocity treaty will give the Mexican product the advantage of free importation into the United States against a duty of 20 per cent. on the valuation charged on India jute. The purposes for which jute is used are rapidly multiplying. Besides coarse fabrics, such as grain and ore sacks, it is used for fine goods like cambrics, furniture linings, and room hangings. By recent improvements in dyeing the

brilliant colors and beautiful finish of silk are imparted to jute, so that it cannot readily be distinguished from the former.

Ramie, or vegetable silk, is a fiber whose cultivation is destined to become of great importance in this country, and much attention is now being paid to it. There is a valuable fiber which grows wild in the hot lands of the coast, known as silk grass. It is a member of the bromelia family, and produces a beautiful long silky fiber which is worth 35 cents a pound in Manchester, where the demand is immensely ahead of the present supply. Among the places where it grows in great luxuriance may be mentioned the Tdxpam Valley and the Pacific coast of the Isthmus of Tehuantepec. Among other important fibers of Mexico may be mentioned the escobilla, pita, and rush. General Diaz has a sample of pita fiber 11 feet 6 inches, or over 3.51 meters, long, which grew wild on his hacienda in Oaxaca.

The great difficulty in the utilization of nearly all these fibers has been that of extracting the fiber, which has been possible only by a slow and laborious process. But a recent invention for the disintegration and decortication of the fiber-bearing plants makes the work easy, effective, and cheap. This invention promises to create an immense industry in Mexico. It consists of a machine called the Universal Fiber Decorticator, invented and patented by Mr. T. Albee Smith, of Saint Louis, who was here a few days ago with the object of making arrangements for its introduction in this country. The machine has been successfully operated in Mississippi upon jute and hemp for the past two years, reducing in one process the stalks to the condition of soft, pliable ribbons, free from slivers or bark, which, after maceration in soft, clear water, are entirely free from gum. The inventor has devised a process which washes and rinses the fiber, which, after drying, is ready for the bale. Following is a brief description of the process:

The material to be treated first enters between a pair of plain crushing rolls, then between the breaking rolls, thence passing to the cleaning rolls and aprons, the latter preserving the material parallel and untangled while under treatment. When thus cleaned to the extent of one-half or more of their length the stalks are automatically withdrawn and laid upon the feed-table, by reversing which the other end of the stalks is presented to the machine and similarly treated, after which the ribbons are subjected to the macerating and washing process heretofore described. The construction, both of the breaking rolls and the cleaners, is peculiar to this machine. While under the operation of the cleaning rolls jets of liquid (either water or chemical preparation) are ingeniously and effectively applied along the entire sheet of the material, the effect of which is to form a kind of cushion to the fiber while being treated. Air, steam, or gas can be applied by the same jets, the selection to be determined by the peculiar characteristics of the plant under treatment.

EXTENSION OF THE ZONA LIBRE.

REPORT BY CONSUL-GENERAL SUTTON. OF MATAMOROS.

Under date of the 4th instant I sent you the following telegram:

Apparently reliable information from Mexico is that Zona Libre which now extends, from here to Nuevo Laredo, has been extended along our frontier to Pacific Ocean. It is probably only strip, say custom-house jurisdiction, in width. So far as it goes it will be an important benefit to our manufacturers, as it increases the buying capacity of towns affected, and in which three-fourths of the goods now used are American.

To this date no additional information is to hand, but it would appear to be certain that the report is correct.

This will make Piedras Negras and Paso del Norte, as also other smaller places, ports of first entry in the new Zona Libre, where, as at Matamoros, goods may be imported, held, sold, or consumed free of all duties except small local and inspection charges.

The Zona Libre was established at Matamoros twenty-seven years ago. It was done at the especial request of the merchants of Matamoros, and was then intended to be, and then was, avowedly hostile to American interests.

The Zona Libre is now to be extended to Paso del Norte and the Pacific coast. This, it is probably correct to say, is done at the special request of the Mexican Central Railway Company. While it is prima-

rily a benefit to that company it is also to a certain extent a benefit to American manufacturers.

All residents of the territory of the newly established Zona Libre can legally buy two dollars' worth of goods where they formerly bought one dollar's worth.

On this frontier three-fourths of this increased sale will be of American goods. At Vera Cruz this increase would be more nearly if not quite equally divided.

Owing to the probable narrow limits and limited population in the newly made free zone the immediate increase and effect will not be very noticeable. The effect upon Piedras Negras, Paso del Norte, and the other newly made ports of first entry will be considerable. It will give them an impetus, as by free introduction of American food, products, furniture, &c., it will render life possible there under more favorable conditions than heretofore.

Many Americans are ready for such an opportunity, and will move in and establish themselves in business there. Many Mexicans will also come in from the interior to enjoy the advantages of the Zona Libre.

WARNER P. SUTTON,
Consul-General.

CONSULATE-GENERAL OF THE UNITED STATES,
Matamoros, April 8, 1884.

FREE PORTS IN MEXICO.

REPORT BY CONSUL WILLARD, OF GUAYMAS.

I have the honor to inform the Department that the law of March 22 last, which went into effect the 26th ultimo, provides that imported goods may be bonded at Paso del Norte, in Chihuahua, and Nogales, in Sonora, in this consular district, and other frontier custom-houses named in the law and those which may be established, by filing a bond that the duties shall be paid when taken out for consumption or importation into the republic, or they may be re-exported and the bond canceled.

This law does not go into effect, so far as making Nogales, in this consular district, one of the free ports, until such time as the State authorities define its limits and establish there a municipal government, which has not as yet been done, though such action it is expected will soon be made. Goods may be sold for consumption in the free zone thus established, and pay no duty except \$1.37 per \$100, a municipal tax, and the package duty, which must be paid in all cases when received; also warehouse charges of two cents per cubic foot per day during the time they remain in warehouse.

Importers desiring to avail themselves of the privileges of this act must make a written application, stating the number of packages they intend to import, one month before the importation, which special permits must have \$8 in stamps, duly canceled, and be in triplicate form, written in ink. Hectograph copies or aniline will not be accepted. They must also be accompanied by a Mexican consular invoice.

Goods coming from Europe are on the same basis as American goods.

A. WILLARD,
Consul.

CONSULATE OF THE UNITED STATES,
Guaymas, June 3, 1884.

EATING UNCOOKED PORK.

REPORT BY CONSUL FOX, OF BRUNSWICK, GERMANY, INCLOSING AN OFFICIAL WARNING AGAINST THE USE OF UNCOOKED PORK.

I have the honor to inclose herewith copy of official order, with translation, issued by the police authorities of the province of Saxony, Prussia, warning the public against the danger of eating swine meat in an uncooked state.

Comment appears to me unnecessary in the premises.

WILLIAM C. FOX,
Consul.

UNITED STATES CONSULATE,
Brunswick, May 15, 1884.

OFFICIAL NOTICE.

[Translation.]

The trichinosis epidemic, which prevailed in Emersleben and vicinity from September to December of last year, was attended with fatal results. Of the 403 persons who became ill from partaking of the meat of a swine infected with trichinæ, 66 died.

The instituted investigation proves that the intensity of the sickness and the grade of mortality depended upon the number of trichinæ found in the meat and upon the amount of meat consumed. In this respect it is noticeable that all persons who ate 125 grammes or more of the infected meat died. It is also proven that of all those who died each one, without exception, partook of the meat in a raw and uncooked state. Trivial cases were caused by eating sausage, meat balls, and liver sausage, made from infected meat, which in cooking had not been allowed to reach that grade of heat necessary to thoroughly boil or roast it, and consequently contained more or less raw particles.

In the face of this deeply lamentable occurrence, I seize this opportunity to again and impressively give public warning, especially to the working class, against the inveterate habit which prevails in this province of eating raw hacked swine's meat.

At the same time I call attention to the fact that in the preparation of swine's meat for household purposes the danger to health can be avoided only by thoroughly cooking the meat, by subjecting it to a continuous boiling or roasting before partaking of it.

The royal president of police and landrath:

DR. VON ARNIM.

MAGDEBURG, *May 13, 1884.*

VITICULTURE IN CAPE COLONY.*

REPORT BY CONSUL SILER, OF CAPE TOWN.

In 1653 the first vine stocks were brought into this country from the borders of the Rhine. The muscatel was the principal variety introduced, and was found to thrive well. In 1681 the first brandy from the grape was made at the Cape, but owing to the primitive mode of manufacture the quality was necessarily inferior. In 1687 the first census was taken at the Cape of Good Hope, when the returns showed the total number of vine stocks in the colony to be 402,900. Since then the industry has been constantly pursued, but in a conservative and unenterprising way. In 1865 the census returns showed 55,300,000, and in 1875, 69,910,215

* This report was received too late for insertion in No. 41½, "Fruit Culture in the Various Countries."

vine stocks in the colony. The number at present under cultivation was estimated by a commission appointed by government to investigate the subject of vine diseases at 120,000,000 stocks, covering an area of 45,000 acres and employing a capital of not less than £20,000,000.

South Africa possesses an immense area of territory available for successful cultivation of the vine, that now utilized being but a fringe of what is susceptible of proper cultivation. Indeed, viticulture has been and is now confined almost exclusively to the western province of the Cape Colony for no other reason than that the early vine farmers settled in that region, and that their conservative character has not favored the spread and development of an industry which they have ever striven to make a monopoly, for the fact is indisputable that the conditions of soil and climate of the eastern province of the Cape Colony is equally susceptible of viticulture as that of the western.

The vineyards are situated at all distances from the sea-coast, a few lying right along and near to the beach. They are also successfully cultivated long distances from the sea, throughout the western and northern parts of the Cape Colony, some 400 miles from Cape Town. But the southwestern part of the colony is the region in which viticulture is most extensively and profitably carried on, and embraces the districts of the Cape divisions, Stellenbosch, Paarl, Malmesbury, Wellington, and Caledon. These districts are contiguous to the sea-coast, and the vineyards, from 100 to 500 feet above sea-level, are both on the hillsides and in the valleys, and the grapes are mostly used for making wine; while the raisin vineyards are mostly in the Worcester and Andtshoven districts, further from the sea and at a much greater altitude.

The grapes grown on hillside lands with an eastern aspect, are, as a rule, superior to those raised in the valleys or on table land. Sea fogs and mists are not of frequent occurrence in this part of the colony, but when they come over the land the effect on the vineyards is highly deleterious, the damp rotting the fruit and occasionally causing considerable loss.

The vineyards along the sea-coast where raisin farming is not attempted are subject to mildew during a very moist atmosphere, but this plague is readily and successfully checked and even prevented by the timely and judicious use of sulphur. In the raisin districts farther from the coast, where the air is much dryer, mildew is seldom known. Last year the farms in the Upper Hex River Valley, where fogs and mists are rare, did not require the application of sulphur the whole season. But under any meteorological conditions the South African wine farmer is confident of counteracting any effects of mildew by the application of sulphur. This is done by means of a well constructed bellows, and, if intended as a preventive, shortly before the budding season commences; and constant and careful application it is claimed will keep the vineyard free from disease where oidium exists and where much dew falls.

The vines are kept short in all these districts which are subject to high winds; but regular pruning usually begins only when the vines are two years old. Great importance is attached to this operation by wine farmers here and it is performed by means of a sharp knife or shears. After this the vines are pruned twice a year at two distinct periods, the first commencing directly the vineyard is harvested; this is called early pruning and consists of the removal of all unnecessary shoots and suckers. The second operation is called the fruit pruning proper, and is generally commenced as soon as the buds begin to swell, and varies

in duration according to the different sorts of vine, soils, and aspects. This fruit pruning consists in cutting the canes back to two eyes from the old wood; and is so performed as to insure an open space in the middle of the stock so as to admit of free ventilation; four or five arms are left radiating from a common centre, trained as far as possible to a horizontal position, so as to induce the fruit spurs to assume a perpendicular.

The best results for making wine are obtained in a stiff clay soil, decomposed granite always found on the hillsides; whereas the yield of raisins is highest on a light clay soil, containing a sufficiency of sand and carbonate of lime; this latter is what is called here the karoo soil, and is alluvial and principally found in the valleys.

The wine vineyards are seldom cultivated more than once a year; while the raisin districts require continuous attention. Digging is considered preferable to plowing—the latter operation tending to disarrange and injure the vines. In the wine districts, such as the Hex River Valley, Andtshoven, Zwellendam, and Montagu, where rains are very irregular and of rare occurrence, irrigation is resorted to about three times a year, and a thorough cleaning of the vineyards is gone through with about a fortnight subsequent to each irrigation. In these districts irrigation is not difficult, for being situated in the plains or valleys and surrounded with mountains, giving rise to numerous small rivulets, the operation becomes comparatively easy. In planting, the distance between the canes depends much upon the variety of the grape as well as the site of the vineyard; in a hot district it is admissible to plant closer than in a cool district; but, generally speaking, 4 by 4 feet is considered a safe distance. In very rich soils, where the vines grow luxuriantly, even more space is given; the vines are planted in trenches from 2 to 3 feet deep. The month of July is considered the proper season for planting in this country. The cuttings, about 18 inches in length, are planted as soon as possible after separation from the parent stalk. As before stated, the young vines are not pruned or interfered with for the first two years, but they should be kept scrupulously clean. The first pruning should be done in such a manner as to give form to the stock with a single trunk, and so as to insure an even supply of sap to all the future arms or branches. The advantage of deep trenching will now be manifest in the deep rooting, luxuriance, and vigor of the plants.

As a rule about three thousand vines are planted on an acre of ground. The average yield in the Worcester district is 4 leagners of wine to one thousand vines,* that is, 1,524 gallons to the acre. In other parts of the colony the yield is not so much, say one-fourth, or about 380 gallons per acre. The average weight of a bunch of raisin grapes (Hanepoort) is a fraction less than one pound, and the average number on the sticks forty.

The vines in South Africa remain in full vigorous bearing from forty to fifty years, but there are vineyards here now more than sixty years old which amply pay all working expenses besides interest on capital invested. Indeed I have been informed by Mr. Hertzog that he has vine stocks on his farm which are in vigorous bearing and are one hundred and twenty-eight years old. The life and vigor of the vine therefore depends doubtless upon the nature of the soil and the care taken of it.

The mode of manufacturing wine here is of the most primitive character, no improvement in that respect having been made within the

*A leagner equals 127 gallons.

past century. Owing to the abnormal condition of labor in this colony it is difficult to estimate even approximately the cost of cultivating an acre of vines, there being scarcely any two farmers who agree upon the subject. Native labor is mostly employed in cleaning, cutting, and digging the vines at from 1s. 6d. to 2s., with food, consisting of bread and meat and two bottles of wine, per day. To strike an average from all the various estimates which have been given me I should place the cost of a crop at about \$40 per acre per annum; then taking the yield as before estimated at 380 gallons of wine per acre, at, say, 25 cents a gallon, and some conception may be formed as to what magnitude this industry might be brought up to were improved methods and skilled labor brought to bear upon it in South Africa.

Little or at least no vigorous effort has been made to prepare raisins for foreign export, the home demand being ample to the supply. Last year's customs reports makes no mention of raisins having been exported abroad, but for that year the amount of wines exported was placed at 121,852 gallons, which was principally shipped to the United Kingdom and the continent of Europe. There was also shipped about 5,000 gallons of spirits, which likewise found a market in Europe.

One of the gravest problems which the South African wine farmer has to contemplate is the labor question. The difficulty does not consist in the deficiency of labor, but what is particularly desired is intelligent labor. At the time and long after viticulture was introduced in this colony slaves formed a legally recognized element of society, the wine farmer had always sufficient, and, to a certain extent, skilled labor at his disposal. Slavery ran its day and ceased to exist, thus leaving the great majority of farmers without any practical knowledge of the industry which they and their forefathers had learned to regard as their natural and legitimate source of subsistence. The result is that there is to-day no generally recognized system of viticulture in the colony. Immigration to South Africa has not been rapid, and nine-tenths of those who seek new homes here are English and Dutch, neither of which nationalities can benefit the wine farmer, as they are generally ignorant of vine culture. What the wine farmers here require is immigration from the rapidly declining wine districts of continental Europe. They fully appreciate and are alive to this fact, but their jealous greed, mildly termed conservatism, renders them averse to this class of immigration, because the continental workingman is reputed to strive to save a part of his earnings; and this fact alone renders it possible for him at some future time to become a proprietor and therefore a competitor. A native black man is regarded differently; he is so improvident with his earnings that he is seldom or never out of debt with his employer, in consequence of which the latter is enabled to exercise a sort of proprietorship over him.

Colored native labor answers every purpose for the ordinary work in vineyards and wine stores; but they should be constantly under the supervision of trained foremen or inspectors. There are no agricultural schools in this colony, and as it is connected by language with both England and Holland, in neither of which is there any viticulture, nor the literature of which possesses any practical books on the subject, there may be some excuse for the South African farmers want of technical training.

The advantages which the Cape Colony offers for the cultivation of wine cannot be surpassed by any other country; the soil and climate are favorable for it, and the great consumption of wine within the colony, the ready market in the adjoining countries, guarantee success to any

viticultural enterprise on a large scale, and the considerable distance from the centers of viticulture which are afflicted by phylloxera (this scourge has never visited the vineyards of South Africa) and the stringent legal measures which are in force against the introduction of that plague, offer an additional security for the stability of such enterprise.

No effort ever seems to have been made in this colony to cultivate oranges, lemons, olives, or figs for foreign commerce. In reality but little attention is given to the cultivation of these fruits except in private gardens for family use, though no apparent reason exists why all of these fruits could not be extensively cultivated and made important articles of foreign commerce.

I am indebted to William Keit, esq., naturalist and curator of Duban, Natal, for the following information respecting the subject under review as applicable to the colony of Natal:

The cultivation of the grape vine in Natal, so far, has not yet reached the position of a colonial industry. In some localities the soil and situation are very unfavorable, and the produce uncertain and inferior, but in other places, under favorable circumstances, very fine and superior fruit is grown. No regular vineyards have yet been established with the object of growing grapes for the manufacture of raisins or wine.

The orange and its varieties are extensively grown on the coast and sheltered situations in the midland districts. In general cultivation are the ordinary orange, St. Michael's orange, Mandarin orange, bitter orange, shaddock, lemon, citron, and lime. The most popular are the Mandarin, St. Michael's, and the large varieties of the ordinary orange. Orange trees come into full bearing when about ten to twelve years old, and where well cared for yield at twenty-five years very fair crops.

As a rule all orange trees are reared here from seeds, budding or grafting is practiced only for the propagation of new kinds, but is not an established custom for the object of improving known varieties in quality or prolificacy.

The orange scale insect, mealy bug, aphid, caterpillars, and in some localities Australian bug, are great enemies to the orange trees, the best remedy is in pruning the trees close in and covering them with strong lime wash. This usually will invigorate the trees and protect them for some years.

Orange trees have been planted here in various soils without regard to aspect and as a rule are doing well, but those which have the advantage of a northeasterly aspect and stiff soil are evidently doing best. The trees will grow very near the shore if they are protected from strong wind, but improve in appearance about 10 to 12 miles inland.

As the climate of Natal appears to be very suitable for the perfection of the orange there is usually great abundance of fruit during the season, but the prices obtainable at the local markets are as a rule so low that no inducement is offered to incur any particular expense for a higher cultivation, hence no systems of artificial irrigation are practiced.

An orange tree in the prime of life will yield 600 to 1,000 oranges, worth wholesale from 5s. to 8s. per thousand.

The olive of commerce has been tried repeatedly but has failed to establish itself in Natal.

Figs for table use and commerce are grown with very small success, frequently the crops are total failures.

Vines have recently been introduced into the Orange Free State and seem to thrive well; but in the Transvaal the sudden changes of temperature are not favorable to successful wine or raisin culture.

In conclusion I desire to particularly express my obligations for valuable information given me to Prof. Paul Daniel Hahn, Ph. D., M. A., who has courteously and kindly placed at my disposal certain official reports of his to the Cape Government on the subject of viticulture.

JAS. W. SILER,
Consul.

UNITED STATES CONSULATE,
Cape Town, May 6, 1884.

THE CANAL SYSTEM OF CANADA.

REPORT BY CONSUL-GENERAL STEARNS, OF MONTREAL.

The Saint Lawrence River, and the Great Lakes whose waters flow through it into the Atlantic, form a continuous water-way extending from Fond du Lac, at the head of Lake Superior, to the straits of Belle Isle, a distance of 2,384 miles. Along its course at convenient distances is abundant water-power, and in its numerous bays and inlets are safe and commodious harbors.

Emptying into the Saint Lawrence and contributing to the volume of its waters, as well as to the importance of its trade, are the Ottawa and Richelieu rivers, the former bringing it into communication with the immense lumber forests of Ontario, and the latter connecting it with Lake Champlain in the United States. These rivers were the thoroughfares in peace and the base lines in war for the Indian tribes long before the white man appeared on the Western Hemisphere. Upon their broad bosoms the first explorers and voyagers pushed their adventurous way into the heart of this Northern country, and opened it to commerce and civilization.

The early colonists of Canada found them the convenient and almost the only channels of intercourse among themselves and with the home country. Supplies were brought up the Saint Lawrence in sea-going vessels to Quebec and Montreal, and thence distributed to the scattered settlements throughout the country.

Indian canoes, richly laden with furs and pelts, and later, batteaux and Durham boats, freighted with the surplus grain of the colonists, and lumber rafts from the Upper Ottawa and the lakes, floated down the Ottawa and the Saint Lawrence to Montreal, Three Rivers, and Quebec, when their cargoes were exchanged for the comforts and necessities of life brought from France. The Saint Lawrence was navigable for sea-going vessels as far as Montreal, but between Montreal and the foot of Lake Ontario there was a succession of rapids separated by navigable reaches. On account of the rapidity of the current these rapids are impassable to boats of any size ascending the river, but most of them can be passed on the downward trip by vessels not too heavily loaded and built strongly enough to resist the strain of the whirling waters.

The head of navigation on the Ottawa River is the city of Ottawa, now the capital of the Dominion, but formerly known as Bytown. Between this city and the mouth of the river at the southern extremity of the island of Montreal there are several impassable rapids.

The Richelieu, which is, as I have said, the outlet of Lake Champlain, was also so much obstructed at various points as to be unavailable for navigation.

A list of the various rapids on the Saint Lawrence, Ottawa, and Richelieu, with a statement showing their length and that of the navigable reaches between them, will be found in Appendices A, B, and C.

The canal system of Canada, both in its entirety and its separate parts, has been established to overcome these obstructions, and, by artificial channels at various points, to render freely navigable the natural routes of transportation. By means of it the whole Saint Lawrence system, from Lake Erie to the sea, has been made passable by a connecting chain of canals, comprising 71½ miles of artificial navigation, the

least depth of which is 9 feet; a line of communication established between the Saint Lawrence at Montreal and Lake Ontario at Kingston, by way of the Ottawa and the Rideau River, and a passage opened from the Saint Lawrence to Lake Champlain and the United States.

The history of the efforts put forth to accomplish results so creditable to the enterprise and liberality of the people of Canada is an interesting and instructive one, and this report will consist of a résumé of its salient points, with such statistical information as may pertain to it, and a statement of the present condition and future prospects of the system.

For convenience, and because of their relations to each other, the canals thus constructed are grouped in official reports, and by those who have written upon them, under five heads, viz:

- (1.) The Saint Lawrence Navigation.
- (2.) The Richelieu and Lake Champlain.
- (3.) The Montreal and Kingston.
- (4.) The Upper Ottawa.
- (5.) The River Trent.

While I shall not follow these divisions, but rather the chronological order, in treating of the subject, I shall have occasion to refer to them from time to time, and it will aid in understanding what I say if they are kept in mind.

1. THE SAINT LAWRENCE NAVIGATION.

Before the commencement of the present century, and during the period of French ascendancy, locks, or more properly small canals with locks, had been constructed by the French at the Fauille, the Trou du Moulin, Split Rock, and Coteau du Lac to overcome the Cascades, Cedar and Coteau rapids between lakes Saint Louis and Saint Francis on the Saint Lawrence River. These canals were from 6 to 7 feet wide, had a depth of $2\frac{1}{2}$ feet on the miter sills of the locks, which were built of stone and were designed for boats and batteaux capable of carrying from 30 to 40 barrels of flour.

A little later a channel with $2\frac{1}{2}$ feet of water was obtained around the Sault Saint Louis or Lachine rapids by removing obstructions from the Saint Pierre River, a small stream running across the marsh now traversed by the Lachine Canal, but this channel seems to have been of little practical use.

From about the same date until the construction of what is now known as the Cornwall Canal, batteaux were able to ascend the Long Sault Rapids, upon Lake Saint Francis, by means of two small locks, one of which was situated near the village of Moulinette, and was constructed and maintained by Adam Dixon, a merchant of that village. But after the conquest of Canada by the British, and its division into the Upper and Lower provinces, the country above Montreal became more thickly settled, and as the land was brought under cultivation, and the crops more than met the wants of the inhabitants, the question of the best method of securing for their surplus products cheap and expeditious transportation to tide-water, and thereby stimulating immigration and settlement became a very important one.

Both the upward and downward trade was very much embarrassed by the difficulties and delays of the passage. In coming down the boats could, it is true, carry full loads, and the loss of time and danger at the rapids, while sufficiently great to be a serious incumbrance to commerce, were inconsiderable when compared with what was experienced on the upward trip. Ascending freight had to be hauled from Montreal

to Lachine, and there loaded on boats, which could not carry above eight tons, and generally started in companies and kept close together that the crews might help one another in pushing up against the swift current. At the foot of some of the rapids the whole cargo had to be unshipped and carted to the next navigable reach, while at others the same course had to be pursued with a greater or less part of the freight that the boats might be sufficiently lightened to enter the small locks, which afforded the only means of passing the obstructions.

The average time between Lachine and Kingston on the upward trip was twelve days, and the actual expenses of a Durham boat, with an average cargo of 8 tons, was about \$26.50 per ton.

The time occupied in coming down was, of course, much less, not usually exceeding four days, and the expense proportionally smaller. The vexatious delays, and the additional expenses of the many portages, and the frequent transshipments from boat to cart and from cart back to boat were discouragements to trade too grave to be longer submitted to by the enterprising and energetic men who were transforming the wilderness of Upper Canada into fruitful farms and lining its available streams with saw and grist mills.

In 1804 the Government of Lower Canada completed a 3-foot channel through the Lachine Rapids, close to the north shore, by which boats could be dragged or poled from Montreal to Lachine.

At about the same time the Imperial Government, primarily for military purposes, enlarged, reconstructed, and put into more advantageous positions the old French locks at Split Rock and Coteau du Lac, and built a new canal nearly half a mile in length, with three locks, around the cascades, instead of the old locks at the Faucille and the Tron du Moulin. In 1805 and 1806 Lower Canada appropriated \$8,000 for the improvement of navigation on the Saint Lawrence, and some work was done at various points, mainly in dredging.

During the war of 1812 the construction of a canal to connect Montreal with Kingston, at the foot of Lake Ontario, by way of the Ottawa River, was agitated as a military measure, and various plans and routes were proposed.

The Imperial Government urged upon the provincial authorities the desirability of prosecuting the work and offered to aid them by an appropriation of £70,000; but the return of peace took away the immediate necessity for military works, and the people were unwilling to assume the burden of constructing this canal. The public men of Canada, and those interested in the commerce of the province, felt that the Saint Lawrence route was destined to be the most important contributor to the commercial prosperity of the country, and that any money that could be spared from its slender resources for internal improvements could be most profitably spent on the Saint Lawrence between tide-water and Kingston.

In 1815 the legislature of Lower Canada passed a bill granting the promoters of a scheme to build a canal around the Lachine Rapids a sum of money in aid of its construction, and in 1818 a joint commission, constituted by the Governments of Lower and Upper Canada, and representing each, made a very instructive report, in which they recommended that canals should be built at the Lachine Rapids and between Lake Saint Francis and Lake Saint Louis, and at the rapids above Lake Saint Francis.

In 1819 the above-mentioned bill was repealed and another was passed incorporating a joint stock company for the same purpose, with a capital of \$600,000; and in the same year another company with a smaller cap-

ital was chartered to construct what is now known as the Chambly Canal around the Chambly Rapids in the Richelieu River. In 1817 the locks between Lakes Saint Louis and Saint Francis were enlarged by the Royal Staff Corps from 6 to 12 feet in breadth, and the depth of water on sills was increased from $2\frac{1}{2}$ to $3\frac{1}{2}$ feet, so as to admit bateaux and Durham boats capable of carrying 100 barrels of flour. The amount expended on these works cannot be ascertained, as all record thereof was destroyed by fire.

THE LACHINE CANAL.

The joint stock company, whose incorporation in 1819 for the construction of the Lachine Canal was noted, caused extensive surveys and estimates to be made, but was obliged for want of money to petition the Government of Lower Canada to assume the further prosecution of the undertaking. In 1821 the act incorporating the company was repealed, and the Government was empowered by provincial statute (George IV, chapter 6) to construct the Lachine and Montreal Canal as a provincial work. The design which had been recommended by the company's engineers was adopted by the Government; commissioners were appointed to carry on the work in accordance therewith; ground was broken on the 17th July, 1821, and the canal was completed and opened for traffic in 1825.

The canal, as then built, extended along the north side of the river from the outskirts of Montreal to the village of Lachine. It was 8 miles and 718 yards in length, 28 feet in breadth at the bottom; at the water surface, 48 feet in earth and 36 feet in rock, and had 5 feet depth of water. There were seven locks, built substantially of stone, 100 feet long and 20 feet wide, and of a depth sufficient for vessels drawing $4\frac{1}{2}$ feet of water.

The excavations were principally through earth, with a cutting about one mile in length at the Lachine end through a limestone formation.

The total cost was \$438,404.15, all of which but \$40,000, contributed by the Imperial Government to secure free passage of military stores, &c., was paid by the Government of Lower Canada. Of the amount paid by the province a small part was probably derived from tolls, as the loans authorized by the various acts amounted only to \$388,000.

OTTAWA CANALS.

In 1819 the Imperial Government began the construction of a series of three short canals designed to overcome the Long Sault and other rapids on the Ottawa River above Saint Anne's. They were all on the north side of the river, and, like the Rideau Canal hereafter referred to, were built by the Royal Staff Corps, and were intended to form a part of the inland system of communication between the Lakes and Montreal which the Imperial Government had determined to establish for military purposes, and which the construction of the Rideau Canal would complete.

GRENVILLE CANAL.

The Upper or Grenville Canal overcomes the Long Sault Rapids, and was the first of the three built. The original plan contemplated locks corresponding in size to those on the old Lachine Canal. Three were commenced and completed upon this scale, but the other four were built upon the enlarged scale adopted in the mean time for the Rideau Canal.

The channel was excavated partly through solid rock and partly through dirt. It was $5\frac{1}{4}$ miles long, from 20 to 30 feet wide on the bottom, and 25 to 60 feet at the surface. There were seven locks, four about 128 feet long and 32 feet wide and three, at the upper end, about 107 feet long and 19 feet wide, with a depth of 6 feet of water on the sills.

The capacity of the Ottawa route from Montreal to Kingston as originally established was limited by the dimensions of these three locks, which could only admit vessels of about 95 feet in length by $18\frac{1}{2}$ feet in breadth.

CHUTE À BLONDEAU CANAL.

The Middle or Chute à Blondeau Canal, overcoming the rapids of the same name, was commenced somewhat later than the Grenville Canal and completed in 1832. It was cut through solid rock, was one-eighth of a mile in length, and 30 feet wide at top and bottom. There was one lock $130\frac{5}{8}$ feet long, $32\frac{5}{8}$ wide at the upper end and $36\frac{1}{2}$ feet wide at the lower end, with 6 feet of water on the sills.

CARILLON CANAL.

The Lower or Carillon Canal overcomes the Carillon Rapids, and was commenced at about the same time as and completed a year later than the Chute à Blondeau Canal. To avoid expensive excavations a summit level was made and water supplied to the canal from a neighboring tributary of the Ottawa through a feeder .62 mile long. This canal was $2\frac{1}{2}$ miles long, 30 feet broad on the bottom, and 50 feet at the water surface. The locks were three in number, two of them rising and one falling; one of the lift locks was 128 feet long and $32\frac{1}{2}$ feet wide, and the other and the guard lock were $126\frac{1}{2}$ feet long and $32\frac{1}{2}$ feet wide; all three had 6 feet of water on the sills. The original cost of this series of canals cannot be even approximately ascertained, as all papers relating to their construction were burned in Montreal in 1852.

RIDEAU CANAL.

In further pursuance of the scheme in accordance with which the foregoing works had been commenced, the Imperial Government began in September, 1826, the construction of a canal from the city of Ottawa, then the inconsiderable village of Bytown, at the head of navigation on the Ottawa River, to Kingston, at the lower end of Lake Ontario. This work, now known as the Rideau Canal, consisted in the conversion of the Rideau and Cataraqui Rivers, two obstructed and rapid streams, into one continuous, navigable channel. The headwaters of the two rivers were separated by a portage of a little more than a mile in width.

The Rideau, following a tortuous course of 86 miles, and flowing with a comparatively slow and easy current through a gradually deepening channel, finally discharges itself by an abrupt and almost perpendicular fall of 45 feet into the Ottawa River near the City of Ottawa. The Cataraqui winds its devious way in the opposite direction for a distance of 45 miles, and empties into Lake Ontario at Kingston.

The method of construction adopted was the conversion of a ravine, which ran into the Rideau about 2 miles above its mouth, into a canal, with eight locks, and so overcoming the Rideau falls; raising the waters of the Rideau and Cataraqui for the remaining distance by a series of high dams, and supplementing them by short canals at various points where the obstructions were too large to be overcome by the slack water

After various modifications, during the progress of operations, in some of the details of the plan the work was finally completed and opened for traffic in September, 1832. The whole route was $126\frac{1}{2}$ miles long, but only $16\frac{1}{2}$ of it was canal proper. The breadth of the canal was at bottom 60 feet in earth and 54 feet in rock, and at the surface 80 feet in earth, and the navigable depth of the whole work was $4\frac{1}{2}$ feet.

There were 47 locks—33 being ascending and 14 descending, going from Ottawa to Kingston—134 feet long and 33 feet wide, with 5 feet of water on the sills, and a total lockage of $446\frac{1}{2}$ feet, $282\frac{1}{2}$ rise and 164 fall. There were 24 dams, 11 of which were of cut stone, and the remainder of wood and clay. The stone dams were from 5 to 60 feet in height, and those of wood and clay from 6 to 45 feet. The works were constructed in the most thorough and substantial manner, under the direction of Colonel By of the Royal Engineers. The total cost of the undertaking, including the land expropriated, was \$3,911,701.47, which was borne by the Imperial Government.

This canal, with the three canals on the Ottawa, before described, and the lock afterwards built at Saint Anne's, formed the Montreal and Kingston route, and furnished a continuous inland waterway between the two places. They were built, as has been stated before, primarily for military purposes to secure communication between the lower Saint Lawrence and Lake Ontario, by a line farther back from the boundary between Canada and the United States, and less exposed in case of war than the Saint Lawrence route. They were originally called and are still named in official papers "The Ordnance Canals."

The War Office of the Imperial Government retained control of them, and bore the expense of their maintenance until the year 1857, when, after much negotiation, they were transferred to the Board of Public Works of United Canada.

RIVER TAY NAVIGATION.

The river Tay falls into the Rideau at the foot of Lower Rideau Lake. About 8 miles from its mouth is the flourishing town of Perth. In 1831, a company was incorporated to improve the navigation of this river. The works were immediately commenced and were finished in 1834. They consisted of five locks with dams and slides. Four of the locks were of stone and the other was of wood. They were 101 feet long and 20 feet wide, had a depth of 4 feet on the sills and a lockage of 28 feet. The total length of the channel was $8\frac{1}{2}$ miles. The cost of these improvements was \$17,764.05, of which \$7,764.05 was loaned by the Government of Upper Canada and never repaid. The works have long since fallen into decay and disuse.

Very lately a survey has been made, having in view the construction of a short canal to connect the town of Perth with the Rideau Canal, and so secure for the town communication with the various canal systems.

OTTAWA RIVER NAVIGATION.

The Ottawa River, at its junction with the Saint Lawrence, is divided into four distinct channels. Two of them pass back of the island of Montreal and divided by the Ile Jesus, discharge into the Saint Lawrence below the city of Montreal. The other two, and the only ones used for navigation, flow on each side of an island known as Ile Perrott, which lies between the main-land and the upper end of the island of

Montreal and empty into the expansion of the Saint Lawrence called Lake Saint Louis, a few miles above the Lachine Rapids.

Vaudreuil Lock.—In these latter two channels are the first obstructions to navigation on the Ottawa. The upper of them, although affording a more circuitous route, was in its natural state passable at all stages of water for boats of moderate size, and to make it still more available, a lock large enough to pass a steamer of twenty horse-power was built between the village of Vaudreuil on the main-land and Ile Perrott as early as 1816. This lock was reconstructed in 1832-'33, on the same scale as the locks of the Grenville Canal, and was maintained as a private work until the completion of the lock at Saint Anne's, in the lower channel, when it was abandoned.

Saint Anne's Lock.—The lower channel, which is much the more direct, is obstructed just opposite the village of Saint Anne's, at the head of the island of Montreal, by a succession of short rapids. The necessity of overcoming these, and relieving trade from the exactions of the owners of the private lock at Vaudreuil, was early felt, and soon after the completion of the Ottawa River and Rideau canals, urgent representations were made to the Government that the benefits of this system was being partially lost, and a monopoly of the traffic secured to this private company who owned the lock at Vaudreuil, by the want of a lock at Saint Anne's.

Nothing decisive was done until 1840, when the work of constructing a lock at this point was begun by the Government of Lower Canada, and after the union was carried to completion by the Government of the United Provinces. It was opened for use on the 26th of June, 1843. The canal was one-eighth mile long and the lock 190 feet long by 45 wide, with 7 feet on the sills in the ordinary state of the river and 6 feet at low water, and had a wing-dam and capacity for large steamers. It cost \$134,456.51, of which \$19,860.02 was paid by the Government of Lower Canada, and the remainder by the United Provinces.

CHAMBLY CANAL.

The Richelieu or Sorel River is the channel by which the waters of Lake Champlain flow into the Saint Lawrence. Its mouth is near Sorel, 46 miles below Montreal. It was navigable at all times a distance of 14 miles from Sorel to Saint Ours, at the foot of the Chambly Rapids. These rapids extend from Saint Ours to Saint John's, and were impassable both because of the shallowness of the water and the strength and rapidity of the current. The company, which was chartered in 1817 to improve the navigation of this river, and to which reference has been made, went no further than to make surveys, formulate plans, and publish a report. Its rights having been forfeited by lapse of time an act was passed in 1823, authorizing the Government to improve the navigation of the Richelieu and fixing the breadth of the locks to be constructed at 20 feet and the depth at 5 feet. After considerable delay a commissioner was appointed to take charge of the work, and the necessary surveys were proceeded with.

Various plans were proposed, and an effort was made to remove some of the most formidable obstructions by dredging, but this not producing the result hoped for, it was finally determined to raise the water to a navigable height by a dam and lock at Saint Ours, and build a canal along the west side of the river from Chambly, the head of the slack-water afforded by the dam, to Saint John's. Contracts were given out for the construction of the canal, and in 1835 the undertaking had so

far progressed that boats could come from Lake Champlain to Chambly. During the six following years very little was done, and it was not until after the union in 1841 that the work was again taken energetically in hand, and not until 1843 that it was completed. In 1844 the location of the proposed lock and dam at Saint Ours was changed. Their construction was then immediately proceeded with, and they were finished in 1849.

The work on both divisions had, however, been done so defectively that constant alterations and repairs were necessary. The walls of the lock at Saint Ours and the banks of the canal were raised during the year 1851 and 1852, and in 1858 the whole system was renovated and put into thorough order, and has since been maintained in this condition.

Saint Ours Lock.—As thus completed the Saint Ours lock was 200 feet long and 45 feet wide, with a depth of 7 feet on the sills at low water.

The dam stretched from the west shore 600 feet to an island, and thence 300 feet more to the east shore, and, by means of it, the water was raised 4 feet and retained so as to give a depth of not less than 7 feet from the lock to the lower entrance of the canal, a distance of 32 miles. The canal was 12 miles long, 36 feet wide at the bottom and 60 feet at the surface. There were one guard and eight lift locks which overcame a fall of 74 feet. The guard lock was 122 feet long and 23½ feet wide, and the lift locks varied in size from 125 feet long and 23¾ feet wide, to 118 feet long and 23 feet wide. The depth of water on the sills was 7 feet.

As nearly as can be ascertained \$322,441.58 was paid by the government of Lower Canada on these two works, and \$433,807.83 by the government of the United Provinces, about \$55,000 of which was for work done before the union; making a total cost up to 1867 of \$756,249.41, a part of which was for interest on loans, and a part for the constant repairs which were necessary. Of the total cost \$121,537.65 was expended on the dam, and \$634,711.96 on the canal.

WELLAND CANAL.

The waters of Lake Erie empty into Lake Ontario through the Niagara River and over the Niagara Falls. The difference in the levels of the two lakes cannot be stated with any exactness, as the influences which cause the variations in the height of water in the two lakes are not identical. It is, however, as nearly as can be ascertained 326¾ feet.

The course of the Niagara River is almost due north, and its current is swift and turbulent.

The Welland River flows nearly at right angles with the Niagara River and discharges into it at Chippewa, a village about 2 miles above Niagara Falls. It is navigable for deeply loaded vessels a distance of 40 miles or more, and has scarcely any current. The Grand River flows southeasterly and empties into Lake Erie.

Port Maitland, one of the safest harbors on Lake Erie, is situated at the mouth of the Grand River.

Port Colborne, another very secure harbor on the same lake, is about 18 miles west of the upper end of the Niagara River. Port Dalhousie, on Lake Ontario, is about 11 miles west of the mouth of the Niagara. The desirability of connecting the two lakes by navigable water was very early in the history of the country admitted by all who gave the matter attention; surveys were made from time to time, and various

plans proposed and discussed, but nothing definite was done until in 1824 a private company was incorporated under the name of the Welland Canal Company. Their first intention seems to have been to establish a line of communication between the two lakes by a combination of canal and railway, the canal to be of comparatively small capacity; but this plan was soon laid aside, and it was determined to secure water communication through the whole length and build a canal sufficiently large to admit schooners and sloops.

The plan thus adopted contemplated utilizing the Niagara River from Lake Erie to the mouth of the Welland River, the Welland River for a distance of $8\frac{3}{4}$ miles, and building a canal from Welland River to Lake Ontario. The water supply was to be obtained from the Welland River, and a high ridge of land in the line of the proposed canal was to be overcome by a deep cut. There were many objections to this plan, the chief of which were the circuitous course necessitated by the use of the Niagara and Welland Rivers, the swift current of the Niagara and its unsuitableness for heavily-loaded boats, and the constant danger of slides, because of the unstable character of the soil through which the deep cutting would have to be made. Notwithstanding these objections and various other obstacles which were developed by close inquiry and examination, the company adhered to their plans, and in July, 1825, entered into contract for the prosecution of the work. But the undertaking dragged from lack of funds, and frequent applications for assistance to the General Government, and to the governments of Upper and Lower Canada became necessary. All these governments responded liberally both in the way of loans, subscriptions to stock, and grants of land.

In the summer of 1828 construction had made such progress that it was confidently expected that the water would be let into the canal by the autumn of that year; but just at this time the predictions of the opponents of the scheme were realized, and the completion of the enterprise delayed by the falling in of a part of the embankment in the deep cut. The accident was so formidable as to seriously embarrass the company, already well drained of its resources and working on a plan not generally approved. The directors, therefore, abandoned the design of using the Welland River as a feeder, and determined to obtain their water supply for the canal from the Grand River through a new feeder to be constructed, 27 miles long. This necessitated raising the level of the canal, but the depth of cutting was at the same time diminished $15\frac{1}{2}$ feet, and the danger of a recurrence of the accident before referred to very much lessened. Work was again begun and prosecuted with so much vigor that on November 30, 1829, two schooners ascended the canal from Lake Ontario to the Welland River.

In a report of the operations of the company published about this time the route as then established is thus described:

Vessels drawing $7\frac{1}{2}$ feet of water and not having more than $21\frac{1}{2}$ feet breadth of beam will sail down the river Niagara until they approach about one-fourth of a mile from the mouth of the Welland River. There they will enter a canal 15 chains in length which has been cut across a point of land into the Welland River up which they will pass a distance of $9\frac{1}{4}$ miles. They will then ascend two locks into the deep cut and pass through it a distance of $16\frac{1}{2}$ miles more into Lake Ontario.

The feeder was 20 feet broad at bottom, 40 feet at water surface, and 5 feet deep. The success of the scheme led the Government in 1831 to grant the company a loan of \$200,000 to assist in carrying out a project for an extension of the main line over the Welland River to Port Colborne by enlarging the feeder for about 5 miles so as to make it a navi-

gable channel, and excavating a new canal for the remaining distance between the main line as originally completed and Lake Erie.

This work was finished in 1833 and the line thus constructed occupied nearly the same site as the enlarged line of 1841, and the old line of the present day having the same termini on the two lakes. It was 27½ miles long and the breadth at the bottom was 24 feet. There were 40 locks built of wood, all 110 feet long by 22 feet wide, except the first three ascending locks from Port Dalhousie, which were 130 by 32 feet, and one at Port Colborne from the canal into Lake Erie, which was 125 by 24 feet.

At the solicitation of the company an act was passed in 1839, authorizing the purchase by the province of the rights of the private stockholders, and, shortly after the union in 1841, the purchase was made and the line was transferred to the new Board of Works of Canada.

Up to this time it had cost the province of Upper Canada in loans, which were never paid, in advances, and in the purchase of stock, \$1,751,427.77, and in addition \$100,000 had been contributed to its construction in the purchase of the company's stock by the government of Lower Canada, and \$222,220 in loans by the Imperial Government, making the total cost \$2,073,647.77.

BURLINGTON BAY CANAL.

A low sandy beach originally separated Burlington Bay, on which the city of Hamilton is situated, from Lake Ontario. The construction of a canal to connect these two bodies of water and enable vessels to reach Hamilton and the Desjardins Canal, a work belonging to a private company, and leading to the town of Dundas, was authorized by an act passed by the legislature of Upper Canada on the 19th March, 1823.

Work was commenced under local commissioners in 1825, and the canal was opened for the passage of vessels in 1830, and completed in 1832.

From 1832 to 1841 the work was gradually extended and the channel deepened. The canal was half a mile long, from 108 to 138 feet wide, and 10 feet deep, and was simply an artificial channel between two lines of wooden piles backed with stone.

The amount expended upon this work up to the time of the union in 1841 was \$124,306.08.

DESJARDINS CANAL.

The Desjardins Canal above referred to does not properly belong to the canal systems of Canada, but a brief reference to it in this place may be of interest. It was built by a private company incorporated in January, 1826, by the legislature of Upper Canada, and was opened for vessels drawing 7½ feet of water in August, 1836. It extended from a point at the head of Burlington Bay, 2 miles north of Hamilton, to the town of Dundas, and was, including natural and artificial navigation, between 3 and 4 miles in length. It cost \$98,684, and of this amount \$68,000 was advanced at different times by the Government of Upper Canada in the form of loans at 6 per cent. It is perhaps needless to add that neither the principal nor interest of these loans has ever been paid.

CORNWALL CANAL.

The Cornwall Canal, which overcomes what are known as the Long Sault Rapids of the Saint Lawrence, was the first canal constructed on

the scale recommended by Colonel Phillpott, and adopted by the government of United Canada, for the enlargements and new works then projected.

The circumstances connected with the submission of this report and the adoption of the scheme suggested in it will be alluded to hereafter.

As far back as 1817 the attention of the government of Upper Canada had been called to the important question of the navigation below Prescott, and the joint commission appointed by the two provinces in 1818 had reported, as has been stated, in favor of improvements at the Long Sault Rapids. Examinations and reports were made by several engineers, acting under governmental authority, but nothing decisive was done until 1832, when the house of assembly of Upper Canada recommended the immediate commencement of improvements between Cornwall and the head of the Long Sault Rapids on a scale to admit vessels drawing 9 feet of water, and appropriated the sum of \$280,000 therefor.

In 1833 a commission was appointed for the purpose of carrying out the provisions of the act, in accordance with plans submitted to the Government. In 1834 the work was put under contract, but the rebellion of 1837 and financial causes retarded its completion. Work was entirely suspended in 1838, but in 1842 it was resumed by the government of the United Provinces, and the canal was formally opened in June, 1843.

The canal extended along the north shore from the town of Cornwall to the village of Dickinson's Landing, was $11\frac{1}{2}$ miles long, 100 feet in breadth on the bottom, and 150 feet at the water surface, and 9 feet in depth.

There were seven locks, overcoming a rise of 48 feet, 200 feet long and 55 feet wide, with a depth of 9 feet on the sills. Supply and regulating weirs at the head of the canal and at each of the locks were afterwards added. The whole work cost \$1,933,152.69; \$1,426,316 was expended by the government of Upper Canada and the balance by the United Provinces.

Towards the year 1832 the government of Lower Canada had removed some of the obstructions in these same rapids and cut a canal about one-fourth of a mile long across the point at Cedar Village, and commenced a canal intended to be two-thirds of a mile long across the point just above the old canal at Coteau du Lac. This latter canal was cut for a distance of one-eighth of a mile, but no further work was done upon it until 1841, when a Mr. McBaine completed it by permission of the Government, building at the upper end a lock about 120 feet long, 15 feet wide, and 4 feet deep.

The government of Lower Canada expended upon the above-mentioned improvements \$40,405.33. They became, of course, useless for any but local purposes upon the completion of the Cornwall Canal.

UNION OF UPPER AND LOWER CANADA.

In 1841 the provinces of Upper and Lower Canada were united under one government. Up to this time, as the foregoing statement has shown, much had been done by the respective provinces and by the Imperial Government towards removing the obstacles to a free navigation of the waterways of the country, and many local improvements, both of a permanent and temporary character, had been made, but the want of a definite and comprehensive scheme had been seriously felt. Jealousies and differences of opinion and policy had prevented a hearty co-opera-

tion between the two provinces both in the adoption of plans and the expenditure of money.

Attempts had been made, by means of joint commissions and in other ways, to secure greater harmony and uniformity, but without much success. When, however, the long-considered project of a union of the two provinces seemed likely to be consummated, Lord Durham, then governor-general, in preparation for the event, commissioned Lieutenant-Colonel Phillpott, a prominent military engineer, to examine into and report upon "the inland water communication of the Canadas." His examination seems to have been a very minute and careful one, and his report was very elaborate. It formed the basis of the action afterwards taken by the Government of Canada in relation to the improvement of their waterways. He advocated the adoption of a uniform system of navigation improvements, and urged that they should be upon a scale commensurate with what he believed was to be the future trade of Canada. He recommended that the locks throughout the whole Saint Lawrence system should be made of the same dimensions as those adopted for the Cornwall Canal, which was then under contract, to wit, with locks 200 feet in length by 55 feet in breadth, with 9 feet of water on the sills. He also proposed a new and enlarged line for the Lachine Canal, which had already become inadequate to the necessities of the growing lake commerce.

WORKS CONSTRUCTED UP TO 1841.

A statement at this point in the narrative of what works had been finished and what were in progress at the date of the union may be an aid to a proper understanding of what was still necessary to be done in order to perfect the various lines and bring them to the scale recommended by Colonel Phillpott, and as we shall see, adopted, by the Board of Works of Canada.

There had been constructed:

First. On the Saint Lawrence route:

(1.) The Lachine Canal, to overcome the Lachine Rapids or Sault Saint Louis.

(2.) The Welland Canal, to connect Lakes Ontario and Erie.

Both of these canals were proving themselves entirely insufficient for the purposes for which they were built.

(3.) The Burlington Bay Canal, which was rather subsidiary to than a part of the Saint Lawrence route.

(4.) The Desjardins Canal, which was owned by a private corporation, although aided by a loan from the Government, and was a local affair.

Second. On the Montreal and Kingston route:

(5.) The Carillon and Grenville Canals, around the rapids of Ottawa, above Saint Anne's.

(6.) The Rideau Canal, between Ottawa and Kingston.

(7.) The River Tay Canal.

There was also, as a part of and necessary to this system, until the completion of the lock at Saint Anne's, the private lock, before described, at Vaudreuil.

There were in process of construction:

On the Saint Lawrence route:

The Cornwall Canal, to avoid the Long Sault Rapids.

On the Ottawa:

The Saint Anne's lock, which was intended to supersede the private lock at Vaudreuil and complete the works of the Montreal and Kingston system.

And on the Richelieu:

The Saint Ours lock, which with the Chambly Canal projected, but not then commenced, was intended to overcome the Chambly Rapids and remove all obstruction to navigation between the Saint Lawrence and Lake Champlain.

In addition there were two or three works at various points on the River Trent which were of local importance only.

There had been expended, or advanced upon loans which had never been repaid, for the construction of these various works as follows:

By the Government of Lower Canada:

On the Lachine Canal.....	\$398, 404 15
On the Chambly Canal.....	322, 441 58
On the Saint Anne's lock.....	19, 860 02
On the Welland Canal.....	100, 000 00
Total	840, 705 75

By the Government of Upper Canada:

On the Welland Canal.....	\$1, 751, 427 77
On the Cornwall Canal.....	1, 448, 538 37
On the Burlington Bay Canal.....	124, 356 08
On the Desjardins Canal.....	68, 000 00
On the River Tay Canal.....	5, 630 35
On the River Trent Canal.....	92, 449 33
Total	3, 490, 401 90

By the Imperial Government:

On the Rideau Canal.....	\$3, 911, 701 47
On the Lachine Canal.....	40, 000 00
On the Welland Canal.....	222, 220 00
Total	4, 173, 921 47

Total by governments..... 8, 505, 029 12

By private corporations:

On the Desjardins Canal.....	\$30, 684 00
On the River Tay Canal.....	10, 000 00
Grand total	8, 545, 713 12

In addition to this amount there was what the war department of the Imperial Government had spent on the locks between Lakes Saint Louis and Saint Francis, on the Saint Lawrence, and on the Ottawa Canals, all record of which has been lost.

Of these routes the most important was, of course, the Saint Lawrence.

While the Welland Canal connected the upper lakes with the Saint Lawrence, and the Lachine Canal brought both the Saint Lawrence and the Ottawa systems into communication with tide-water, there were still several stretches between the two which were not at all or very inadequately provided for. These were the rapids between Lakes Saint Louis and Saint Francis and the series of rapids between Dickinson's Landing and Prescott.

The only means of passing the former were the small locks originally built by the French, and subsequently enlarged and improved by the Royal Staff, and the canals built by the Government of Lower Canada, in 1832, across the point at Cedar Village and the point just above it. These were totally inadequate to the requirements of trade, and were of little practical use. At the latter there were no improvements at all.

Upon the union all the works completed and in progress were transferred to the Board of Public Works.

Estimates for carrying out the scheme proposed by Colonel Phillpott were presented to the legislature, and the scheme itself, with some modifications, was adopted.

The Board went energetically to work to complete the undertakings already on hand and make the enlargements and build the new works contemplated in the plan adopted, and in a few years the result of their efforts made itself evident in a canal system which was quite beyond the necessities of the hour, but which the growing trade of the country soon outstripped.

The first new work entered upon after the union was the Beauharnois canal.

BEAUHARNOIS CANAL.

The rapids to be overcome by this canal were three in number, the Cascades, Coteau, and Cedar Rapids, and occupy 7 of the 11½ miles between the Lakes Saint Louis and Saint Francis, the intervening spaces being tranquil water of sufficient depth for navigation.

In 1833, Mr. Mills, the engineer of the commissioners appointed by the Government of Lower Canada to "consider all matters relating to the navigation of the Saint Lawrence between Cornwall and Kingston," presented three distinct schemes for the improvements in view at this point. The first of them, which he recommended as on the whole the most feasible, contemplated the construction of short canals at each of the rapids and the use of the Saint Lawrence between them. These canals were to be on the north side of the river, and the descent was to be overcome by nine locks. This plan was approved by a committee of the legislature, but was never acted upon. Subsequently other plans, based upon careful investigations, were submitted to Parliament by Mr. Alexander Stevenson and Messrs. Stevenson and Baird, but they shared the same fate as that of Mr. Mills. These latter gentlemen urged the south side of the river as best adapted, both in respect to convenience of location and economy in expenditure, for the improvements suggested.

Colonel Phillpott in his general report reviewed the various plans and approved Mr. Mills's plan of three small canals, and advised that for military reasons they should be placed on the north side of the river.

In the memorandum submitted by the Board of Public Works immediately after the union, provision was made for perfecting this section of the Saint Lawrence navigation in accordance with the latter plan, and the cost was estimated at \$1,023,600.

Before anything was done, and in February, 1842, the chief engineer of the Board of Works reported in favor of a single canal on the south shore, chiefly on the ground that it would be shorter and independent of all water-courses, especially of the Ottawa, and consequently navigable for two or three weeks longer every season than if built on the north shore.

The relative merit of the various schemes were exhaustively discussed by their respective advocates before a committee of Parliament, and

substantially the plan recommended by Mr. Stevenson, to wit, a single canal on the south side of the river and running some distance inland, was adopted. The canal was opened for navigation in the fall of 1845, but various defects were soon developed in the construction of the upper entrance, and it became necessary to build at once two dams, one 627 feet long and the other 792 feet long. The dams were completed in 1850.

The canal was $11\frac{1}{2}$ miles in length, 80 feet broad at the bottom, and 120 feet at the surface. It contained nine locks, 200 feet long and 45 feet wide, with 9 feet of water on the sills and overcoming a rise of $8\frac{1}{2}$ feet. Subsequently regulating weirs were constructed at each of the locks, and a dike about 5 miles long was built at the head of the canal to prevent flooding.

The total cost of the work up to 1867 was \$1,611,424.11, of which \$22,783.45 was expended on the dams, and a considerable sum, the exact amount of which I cannot give, for damages from overflow.

From the head of the Cornwall Canal there is smooth navigable water for a distance of 5 miles, then follow a series of rapids and swift currents with intervening spaces of smooth water.

WILLIAMSBURG CANALS.

The rapids are overcome by three distinct canals, known collectively as the Williamsburg Canals, and situated on the north side of the river. The construction of these canals had been recommended by the joint commission of 1818, and subsequently by Mr. Benjamin English and Colonel Phillpott, and had been the subject of much discussion in and out of the legislature.

FARRAND'S POINT CANAL.

Preliminary surveys had been made for the first or lowest of them, the Farrand Point Canal, before the Cornwall Canal was commenced, but nothing was actually done upon it until 1844, four years after the union, when the Board of Public Works began its construction, and it was completed in 1847. It was three-fourths of a mile long, 50 feet broad at the bottom, and 90 feet broad at the water surface. It had one lock 200 feet long, and 45 feet wide, with 9 feet of water on the sill, and overcoming a rise of 4 feet.

RAPIDE FLAT CANAL.

Although the construction of the second of the series, the Rapide Flat, to overcome the rapids of the same name, had been urged as early as 1826, work was not commenced until 1844, and it was not finished until some years later. This canal was 4 miles in length, 50 feet in width at the bottom, and 90 feet at the water surface. There were two locks, 200 feet long and 45 feet wide, with 9 feet of water on the sills, and overcoming a rise of $11\frac{1}{2}$ feet.

GALOPS CANAL.

Work on the third, viz, the Galops, to avoid the Galops and Iroquois Rapids, was commenced in 1844. The first section was completed in 1846, the second in 1847, and the whole in 1856. As originally built it consisted of two canals. The Iroquois Rapids was overcome by the first of these, 3 miles long, with one lock, 200 feet long by 45 feet wide, and of 6 feet lift. From the head of this canal the Saint Lawrence was

navigable for $2\frac{1}{2}$ miles to the foot of the Galops Rapids. To overcome these rapids a second canal was built, $2\frac{1}{2}$ miles long, with two locks, 200 feet long by 45 feet wide, and of 8 feet lift. After a few years' experience it was found that the first mentioned, the Iroquois Canal, had not sufficient depth of water, and it was decided to raise it by connecting it with the Galops.

Work upon this junction canal was commenced in 1851 and completed in 1856.

These three canals formed, upon the completion of the junction canal, one canal, which is now called Galops Canal.

The cost of these various canals, denominated generally the Williamsburg Canals, cost \$1,320,655.54, and was paid out of the treasury of the United Provinces.

The channel through all these various rapids, although swift, is of sufficient depth for the safe passage of the largest boats, and the Williamsburg Canals are not used by descending craft of any kind, unless heavily loaded, nor by ascending passenger vessels.

LACHINE CANAL—ENLARGEMENTS OF 1843.

Besides the construction of the Beauharnois and Williamsburg Canals, and the completion of the works which were partially built at the time of the union, the Board of Public Works of the United Provinces commenced in 1843 an enlargement of the Lachine Canal.

The old canal, built in 1825, had long before become utterly inadequate to the requirements of commerce.

Colonel Phillpott had proposed that the old line, the location of which had never been quite satisfactory, be abandoned and an entirely new canal constructed on a better line, and this plan had many advocates. It was found, however, that it would be very expensive, and as the advantages to be gained by its adoption were at the best, questionable, it was decided to retain the old location and increase the capacity of the locks and the width and depth of the canal prism, so as to make them equal to those of the Cornwall and Beauharnois Canals.

During the progress of the work, and the urgent request of the mercantile interests, this plan was so far modified as to increase the depth of locks Nos. 1 and 2 at Montreal from 9 feet to 16 feet of water on the sills, and thus enable the largest sea-going vessels which then visited Montreal to pass easily into the first basin of the canal.

The work was sufficiently advanced in 1848 to permit passage of boats, but as some of the cuttings were through Silurian lime the canal was not excavated to its full width in all places until 1862.

The enlarged canal was of the same length as before, $8\frac{1}{2}$ miles, and 80 feet wide at the bottom and 120 feet at the water surface; it contained five locks, 200 feet long and 45 feet wide, with a depth of 9 feet of water on the sills, except locks Nos. 1 and 2, which had a depth of 16 feet in accordance with the modification of the original plan just adverted to.

The capacity of the canal was more than doubled by these improvements and the number of locks reduced from seven to five.

The enlargement cost \$2,149,128.70 and was of course paid for by the Government of United Canada.

WELLAND CANAL IMPROVEMENT OF 1842-'49.

The Welland Canal as originally built had never been satisfactory either in its location, its dimensions, or in the character of the work, and it had never been looked upon as permanently completed.

From time to time surveys and investigations had been made and changes and improvements suggested, but nothing of any moment had been done.

As soon, however, as the line came wholly under the control of the Government by the purchase of the interests of the private holders, it was determined by the Board of Public Works to commence improvements.

It was decided that all the locks should be rebuilt in stone and their dimensions increased to 120 feet long by 26 feet broad, with $8\frac{1}{2}$ feet water on the sills; that the aqueduct required to carry the canal over the Welland River should be rebuilt of stone; that the feeder should be converted into a navigable canal; that the harbors on both lakes should be improved, and finally that the projected Port Maitland Branch should be undertaken and completed with an entrance lock from Lake Erie 200 feet long, 45 feet wide, and having 9 feet depth of water.

The works were commenced in 1842 and completed in 1849.

The original plan was modified during the progress of the work so as to make the locks 150 feet long by $26\frac{1}{2}$ feet wide, and the bed of the main line 26 feet wide at the bottom.

As the Grand River gave evident signs that it could not be relied upon as a feeder, it was decided to obtain the water supply for the canal from Lake Erie. To do this it became necessary to lower the summit level 8 feet to that of Lake Erie.

This undertaking was commenced in 1846, but was not finally completed, so as to render the canal independent of the Grand River, until a few years ago.

These enlargements and improvements cost the Government of Canada up to 1st July, 1867, \$4,900,820.60.

TRENT RIVER AND NEWCASTLE DISTRICT NAVIGATION.

The Trent River and Newcastle district navigation in its present condition does not, in either section of it, form a completed system, but consists simply of local improvements which have been made from time to time and at various points between Trenton, on the Bay of Quinté, into which the Trent River empties, and Lake Simcoe, a large body of water north of Toronto, and about half way on a direct line between Lake Ontario and Georgian Bay.

These improvements are of two kinds, viz, those to render the channel navigable for vessels, and those to facilitate the passage of lumber.

Those of the former kind are situated between the mouth of the river Trent and the town of Lindsay on the Scugog River, and between Lindsay and Port Perry, at the head of Lake Scugog.

The total distance between the Bay of Quinté, at the mouth of the river Trent, and Port Perry is $161\frac{1}{4}$ miles, of which $34\frac{1}{2}$ miles are not navigable for vessels drawing 5 feet of water.

The following is a list of the works which have been or are being constructed:

CANAL AT CHISHOLM RAPIDS.

At what is known as the Chisholm Rapids, 15 miles above Trenton, is a fall of something more than 8 feet, and here in 1837 a canal 2,927 feet long was cut through bedded limestone, and a dam built to make still-water navigation for the remainder of the distance covered by the rapids.

The canal had one lock of dressed masonry, 133 feet 2 inches long, and 33 feet wide.

CANAL AT LAKE BOHCAYGEAN.

Between 1833 and 1835 a short canal, with a wooden lock, was constructed at Lake Bobcaygean 140½ miles above Trenton. By this canal (which is still maintained, a stone lock having been substituted for the wooden one in 1857) vessels drawing not more than 4 feet are enabled to pass from lakes Chemong, Buckhorn, and Pigeon to Sturgeon Lake and thence up the Scugog River to the town of Lindsay, which is connected with Lake Ontario by railroad.

A similar lock was built at Lindsay in 1844 and was subsequently converted into a timber slide.

Hasting's Lock.—In 1844 a lock, now known as Hasting's Lock, and a dam was completed at Crook's Rapids, a point 32½ miles above the mouth of the Trent River. By this lock navigation is obtained from Huley's Falls to Whitla's, a distance of 60½ miles, and during the same year a dam was built at Nine-Mile Rapids.

Lock at Whitla's.—In 1843 a lock was constructed at Whitla's, 93 miles above the mouth of the Trent, by means of which vessels may ascend to Peterborough, a thriving town one-half mile above Whitla's.

Upon these works there was expended by the government of Upper Canada, before the union, \$92,549.33; and by the government of United Canada, up to 1867, the date of confederation, \$216,921.98.

In 1870 the lock at Lindsay, which had been converted into a slide, was rebuilt by the government of the province of Ontario. Its dimensions are 134 feet by 34 feet wide, with 5 feet of water on the sills.

In the fall of 1882 work was commenced at various points along what is known as the Black Lake division, which extends from Lakefield to Balsam Lake, the summit level on the main line of the Trent River navigation, and satisfactory progress has been made. At the Upper Rapids, between Deer Bay and Buckhorn Lake, a lift lock and small canal one-fourth mile long are being built.

At the falls between Sturgeon and Cameron Lakes, a canal about one-third of a mile in length with two lift locks is under contract.

The contract for the former of these routes requires that it shall be completed this year, and for the latter that it shall be completed next year.

Contracts have been given out for the construction of a canal 2½ miles long, with three lift locks and regulating dams, around the Burleigh and Lovesick Rapids, but operations have not yet been commenced.

These locks and the service works are to be 134 feet long, 33 feet wide, and have a depth of 5 feet on the sills. When they are all completed, these improvements will open up about 150 miles of direct and lateral navigation.

CONFEDERATION.

On the 1st of July, 1867, the province of Canada, composed of the old provinces of Upper and Lower Canada, now known respectively as Ontario and Quebec, and the provinces of Nova Scotia and New Brunswick were consolidated under one government and constituted the Dominion of Canada.

The public works of each province became the property of the Dominion and were placed under the control of its commissioner of public works.

EXPENDITURES PREVIOUS TO CONFEDERATION.

Up to this time, according to the official reports, there had been spent upon the canals and works connected with them about \$22,000,000, distributed as shown on the annexed schedule:

Manner of expenditure.	Before the union.	During the union.	Total cost to June 30, 1867.
Lachine Canal.....	\$458,404 15	\$2,149,128 70	\$2,587,532 85
Beauharnois Canal.....	1,611,424 11	1,611,424 11	1,611,424 11
Cornwall Canal.....	1,448,538 37	484,614 32	1,933,152 69
Williamsburg Canal.....		1,320,655 54	1,320,655 54
General expenditure.....		116,821 31	116,821 31
Burlington Bay Canal.....	124,356 08	308,328 32	432,684 40
Desjardins Bay Canal.....	98,684 00	52,263 93	150,947 93
Saint Lawrence system.....	2,109,982 60	6,043,236 23	8,153,218 83
Welland.....	2,073,647 77	5,564,592 06	7,638,239 83
Saint Ann's lock.....	19,860 02	114,596 49	134,456 51
Chute à Blondeau Canal.....		63,053 61	63,053 61
Rideau Canal.....	3,911,701 47	153,062 60	4,064,764 07
River Tay navigation.....	15,630 35	2,133 70	17,764 05
Montreal and Kingston system.....	3,947,191 84	232,846 43	4,280,038 27
Chate (Upper Ottawa).....		482,950 81	482,950 81
Saint Ours lock and dam.....		121,537 65	121,537 65
Chambly Canal.....	322,441 58	312,270 18	634,711 76
Richelieu and Lake Champlain system.....	322,441 58	433,807 83	756,249 41
River Trent navigation.....	82,449 33	216,921 98	309,371 31
Total expenditure.....	8,545,713 12	13,074,355 34	21,620,068 46

Of this amount \$3,490,401.90 has been paid by the province of Upper Canada; \$840,705.75 by the province of Lower Canada; \$4,173,921.47 by the Imperial Government; \$13,974,355.34 by the United Provinces, and \$40,684 by private corporations.

In addition to this were, as before noted, the expenditure by the Imperial Government in the renovation and enlargement of the old locks and canals, between lakes Saint Louis and Saint Francis, and the construction of the three Ottawa River or "Ordnance Canals," and also \$48,405.83 spent by the government of Lower Canada in attempting to improve the channel through the Lachine Coteau and Cedar Rapids.

As a result of this expenditure, aggregating nearly \$22,000,000, there came into possession of the Dominion, as part of the assets of United Canada, transferred under the provisions of the act of confederation, 248½ miles of canal with 142 locks; of which, 205½ miles of canal and 100 locks were in Upper Canada, and 43 miles of canal and 42 locks were in Lower Canada.

The Saint Lawrence system, including the Welland and Burlington, comprised 94.08 miles of canal and 57 locks, the least depth of which was 9 feet on the miter sills.

The Montreal and Kingston system, including the river Tay navigation, comprised 134.39 miles of canal and 64 locks, the least depth of which was 5 feet on the miter sills.

The total lockage in this system going from Montreal to Kingston was 578½ feet—401½ feet rising and 177 feet falling.

The Richelieu and Lake Champlain system comprised 12.13 miles of canal and 10 locks, the least depth of which was 7 feet on the miter sills.

For some years after the completion of the works above described very little was done beyond what was necessary to keep them in repair.

APPOINTMENT OF CANAL COMMISSION.

In 1870 the Governor-General of the Dominion appointed a commission, of which the late Sir Hugh Allen was chairman, "to make inquiry as to the best means of securing a thorough and comprehensive improvement of the canal system, and to collect reliable information upon which to base a plan therefor."

REPORT OF CANAL COMMISSION.

The commission, after a careful and searching inquiry, submitted an elaborate report. In this report they discussed quite exhaustively the commercial and engineering aspects of the questions submitted to them, detailed the result of their investigations under each head, and made certain recommendations, of which the following is an abstract:

1st. That one uniform size of locks and canals be established throughout the whole of the Saint Lawrence route, including the Saint Lawrence canals proper, the Welland Canal, and the proposed Sault Ste. Marie Canal.

That the locks be made 270 long and 45 feet wide, with a depth of 12 feet clear on the miter sills, and that the bottom of the canals be sunk at least 1 foot below the miter sills of the locks, with a width throughout of not less than 100 feet. They stated that these dimensions would enable vessels of the usual build, carrying 1,000 tons, to pass, and if their breadth of beam and sectional areas were increased the canals might be navigable for vessels of 1,500 tons.

In giving their reasons for fixing the greatest depth of water on this route at 12 feet, the commission say:

While some of the writers who ought to be best informed on the subject recommend a draft of 14 feet and others as much as 16 feet, regard must nevertheless be had to the capabilities of the harbors and the engineering characteristics of our canals, as well as the prudent suggestions of moderate and experienced men who have limited their views to 12 feet. It would be extremely unwise to embark in magnificent schemes, exceeding the resources of a young country, with the view of introducing ocean vessels into our canals and lakes.

2d. That the locks on the proposed Bay Verte Canal be made 270 feet long and 50 feet wide, with a depth of 15 feet on the miter sills.

3d. That the locks in the Ottawa system be made 200 feet long, 45 feet wide, with a depth of 9 feet on the miter sills.

4th. And that the locks in the Richelieu River be also made 200 feet long and 45 feet wide, with such a depth on the miter sills, not exceeding 9 feet, as the channel of the Richelieu would afford.

The dimensions fixed upon for these routes were thought sufficiently large to accommodate the largest barges used for carrying lumber, that being the main article transported through them.

IMPROVEMENTS RECOMMENDED.

They grouped the improvements recommended, according to their importance, into three classes, and recommended that they be taken up and pushed to completion in the order named, and with as much rapidity as circumstances and the funds at the disposal of the Government would permit.

In the first class they put :

- 1st. The construction of the proposed Sault Ste. Marie Canal.
- 2d. The enlargement of the Welland Canal.
- 3d. The improvement of the Ottawa and Chambly Canals.
- 4th. The deepening of the navigable channel of the Saint Lawrence below Montreal to an average depth of 22 feet.
- 5th. The construction of the proposed Bay Verte Canal.
- 6th. The enlargement of the Saint Lawrence canals and the construction of new locks and docks at the lower entrance of the Lachine Canal.
- 7th. The improvement of the channel of the Saint Lawrence above Montreal by removing all obstructions in the river and lakes between the several canals, and also at the ingress and egress of these canals, so as to give 14 feet of water throughout.

In commenting upon the above-mentioned works the report says :

We considered these works of so great importance, so essential to the welfare and prosperity of the whole country that we feel some degree of embarrassment in recommending which of them should be first proceeded with, but we respectfully suggest that they should be undertaken in the order in which they are mentioned, or as far as possible simultaneously.

They put in the second class :

8th. The construction of canals on the Upper Ottawa after further examination should more clearly indicate the proper method and probable cost of such improvements.

9th. The improvement of the rapids of the Saint Lawrence so as to secure a channel through them of at least 8 feet; and,

10th. The construction of the Murray Canal, which they speak of as a work of local importance only, should be deferred until the future.

In the third class they put :

11th. The construction of what is known as the proposed Caughnawaga Canal to connect the Saint Lawrence by a short route with Lake Champlain.

12th. The construction of the proposed Erie and Ontario ship-canals.

They state that the construction of the proposed Caughnawaga and Erie, and Ontario ship-canals should be left to the private companies which have been chartered for the purpose, and decline to advise any expenditure of the public resources therefor.

13th. The construction of the Georgian Bay Canal.

In regard to the Rideau Canal they advised that some new dams and regulating weirs be built to insure a constant supply of water, but that in other respects nothing be done beyond maintaining it in good working order, it being in their estimation sufficient for the wants of the traffic for which it is the channel.

It was estimated by the commission that the improvements included in the first class, and which they looked upon as the really essential ones, would cost \$19,170,000.

The recommendations contained in this report were adopted by the Government, and on the basis of the scale of navigation therein fixed for the Saint Lawrence route, viz, an available depth of 12 feet of water, the necessary surveys and examinations were made and schemes for the proposed improvements on that route were submitted, and in 1873 authority was given to the Government to carry them out.

In 1875 and after some progress had been made in construction, such representations were made to the Government by public bodies and business men that an order was issued to have the foundations of all permanent parts of the works not then under contract placed at a depth corresponding to 14 feet of water on the miter sills of the locks. Every

year since this enlargement scheme, as it is called, was adopted the Government has appropriated liberally towards carrying it out, and the enterprise has been vigorously pushed forward.

LACHINE CANAL IMPROVEMENTS.

The improvements projected for the Lachine Canal have been completed, with the exception of the entrance channel and harbor at Lachine.

The canal channel has been enlarged to a mean breadth of 150 feet and a depth of 12 feet, and new locks of increased capacity have been constructed alongside the old ones. The canal now consists of one channel with two distinct systems of locks, the old and the enlarged, both of which are in use.

The canal is protected on either side and throughout its entire length by a stone wall built in a substantial manner, and all permanent structures, including the locks, are so placed that the prism may be deepened to 15 feet without disturbing them.

There are in the old system five locks, the dimensions of which have been given in a former part of this report.

In the enlarged system there are also five locks, 270 feet in length and 45 feet in width. The depth of water on the sills of the two locks at Montreal is 18 feet, and of the three remaining locks, to wit, at Saint Gabriel, Cote Saint Paul, and Lachine, 14 feet respectively.

There are two deep basins situated at the lower or Montreal end.

In basin No. 1, between the two lower locks (Nos. 1 and 2) and basin No. 2, or Wellington basin, above lock No. 2, the depth, for a width of 100 feet, is 19 feet, and for the remainder is 13 feet.

Two new masonry faced basins are in process of construction at Saint Gabriel.

The completion of the entrance channel and harbor at Lachine is the principal work remaining to be done, and it is expected these will be finished early in the summer of the present year.

These enlargements have cost up to June, 1882, \$5,347,414.66, making a total spent on the Lachine Canal for construction purposes, from first to last, of \$8,166,696.75.

Sea-going vessels, steam and sailing, can now pass up the canal from the harbor through locks Nos. 1 and 2 to basin No. 1 and Wellington basin, with coal, sugar, and plaster for the different factories in this part of the city and for the Grand Trunk works, and a saving to purchasers of 20 to 35 cents per ton is effected. They can also reload at the same points, where there is ample dock room.

The current has been so much reduced that vessels drawing 8 feet can now be towed up by two pairs of horses, while six to eight pairs used to be necessary.

At locks Nos. 1 and 2 the time occupied in locking is from twelve to fourteen minutes, and at Nos. 3 or 4 from nine to eleven minutes, the difference in time being caused by the difference in lift, the lift in 1 and 2 being 5 feet more than that in 3 and 4.

Steamers pass through the whole canal in about two and a half hours, while barges towed by steam-tugs occupy three hours, and those towed by horses four to five hours. Tugs are, however, fast taking the place of horses for towing purposes, except at the locks, where horses have to be used.

CORNWALL CANAL IMPROVEMENTS.

The improvement on the Cornwall Canal was commenced in 1876, and is now progressing.

A new outlet or lower entrance channel has been formed 300 feet south of the old one and extending back 3,800 feet until it joins the original canal, and two new locks taking the place of those on the old line 270 feet long by 45 feet wide, and with a depth of 14 feet on the miter sills, and a basin 825 feet long between these two locks have been constructed. The deepening of the canal so as to admit vessels of 14 feet draft, and the enlargement of the four locks near the upper entrance are contemplated, and will complete the projected improvements.

There has been spent on these improvements up to June 30, 1882, \$545,309.57, making the total outlay on this canal \$2,522,519.81.

PRESENT CONDITION OF BEAUHARNOIS AND WILLIAMSBURG CANALS

Nothing has yet been done to carry out the recommendations of the commission in regard to the remaining canals on the Saint Lawrence, viz, the Beauharnois and the Williamsburg canals, and they remain of the same dimensions as they were originally completed, to wit, 9 feet depth of water on the miter sills of the locks; and they determine the size and capacity of the vessels to which the Saint Lawrence route is in its whole length available.

Steps are to be taken towards their enlargement in conformity with the proportions of the general scheme.

GALOPS RAPIDS IMPROVEMENTS.

It is intended to improve the channel through the Galops Rapids, the shallowest of the three rapids, which are now overcome by the Galops Canal. The average depth of the natural channel at low water is 15 feet, but in some places the ledge is elevated from 3 to 4 feet above the general level, and these projections have to be removed.

The plan is to construct a straight channel 3,300 feet long, 200 feet wide, and of such depth as to afford passage at low water of vessels drawing 14 feet.

The accomplishment of this object, to quote the words of the chief engineer of canals, assumes greater importance when the fact is borne in mind that at ordinary water vessels can pass down the river from the head of the Galops Rapids to Dickinson's Landing, a distance of 32½ miles, in less than one-third of the time required to pass through the Williamsburg Canal.

Owing to the rapidity of the current great difficulty was experienced in taking the soundings and making the observations necessary to determine just what and where the obstructions were, and a specially constructed steamer had to be used for the purpose.

The desired information was finally obtained, a plan formulated, and the work was commenced in 1880.

Sufficient progress has been made to demonstrate the practicability of the undertaking and to secure its speedy completion.

When these improvements are finished, not only passenger and light draft vessels, but the largest and heaviest laden craft will be able to use the channel of the river and avoid the Williamsburg Canal on the downward passage.

MURRAY BAY CANAL.

The peninsula called Prince Edward lies at the lower extremity of Lake Ontario and is connected with the main shore by a strip of land only 2 miles broad, on one side of which is the Bay of Quinté, and on the other Waller's Bay.

Vessels going east or west on the lake are obliged to strike out into open water in order to double Long Point, the extremity of this peninsula.

As early as 1796 the attention of the Government was directed to the great benefits to be derived from a canal through this narrow strip, by which the distance and the danger of the passage from Lake Erie to the Saint Lawrence would be very much lessened.

In 1833 a survey was made under direction of the Government of Upper Canada. Two routes were suggested, one directly across the isthmus at its narrowest point, and the other from Presque Isle Harbor, one of the best natural harbors on Lake Ontario, to the head of the Bay of Quinté.

By the former route, which the engineers recommended as, on the whole, the best, it was estimated that the canal would be 2 miles long, and, if adapted to the passage of vessels drawing 8 feet of water, would cost \$171,382.50.

Colonel Phillpott, in his general report, considered both routes and estimated the cost of a canal 10 feet deep and of dimensions sufficient for the largest vessels, directly across the isthmus at \$243,333.33, and on the line from Presque Isle at \$438,000.

Again, in 1845, the Department of Public Works caused a survey to be made of the Presque Isle route, and estimated the cost of a canal 100 feet wide at the bottom and 10 feet deep at \$507,445.37. Since that time the project has been frequently before the public and warmly advocated.

The canal commission pronounced it a work entirely of local importance and not required by the general trade of the Dominion, and recommended that its consideration be deferred.

But the advantages to be derived from it seemed so clear, and the pressure for its construction was so great that, in 1881, Parliament authorized the Government to undertake the work.

After more thorough surveys and carefully testing the alleged advantages of the various projected lines, a route making Presque Isle Harbor the terminus on the lake was selected, contracts were awarded, and the work of construction began in August, 1882. By this canal, which will be about 6 miles long, the open lake navigation will be reduced at least one-half, and a great impetus it is predicted will be given to the coasting trade along the north shore of the lake.

The works consist of a through cutting of $4\frac{1}{2}$ miles in length across the isthmus of Murray and submarine excavations at the two entrances.

The channel is to be without locks, 80 feet wide at the bottom, and with a depth of 11 feet below the lowest known level of Lake Ontario.

The contracts call for the completion of the undertaking in 1885.

WELLAND CANAL IMPROVEMENTS.

The Welland Canal, as stated in the report of the canal commission, is the link between the upper lakes and Lake Ontario and the most important section of artificial navigation on the Saint Lawrence route.

Its enlargement was recommended as the first and paramount step in the scheme of permanent improvements to the canal system of the Dominion.

In accordance with a plan submitted by the chief engineer of the Department of Public Works, and in pursuance of the recommendations of the canal commission, work was commenced in 1873.

The plan provided for utilizing the existing canal, which extended, as has been mentioned before, from Port Dalhousie to Port Colborne, but it was soon found that, however advisable such a course might be on the score of economy, the requirements of the enlarged scale of navigation would not permit its being pursued between Saint Catherine and the town of Thorold, and besides that a channel better for navigation purposes and less expensive to maintain could be made between Thorold and Allanburg.

These facts led to the decision to form an entirely new canal to the eastward of the old one extending from Port Dalhousie to Allanburg, a distance of 11.83 miles, then to enlarge and deepen the old canal from Allanburg to Port Colborne, a distance of 14.94 miles, and these improvements have been carried on accordingly.

The improvements are completed except the new aqueduct, which is being built over the Chippewa River, and some rock cutting between Humberstone and Port Colborne.

Between Port Dalhousie and Allanburg there are therefore two distinct routes, the old and the new, but from Allanburg to Port Colborne there is only one channel, the old canal having been enlarged, as before described.

There is one entrance from Lake Ontario, to wit, at Port Dalhousie, two from Lake Erie, one for the main line at Port Colborne, and one for the feeder route at Port Maitland, and also an entrance from the Niagara River at the town of Chippewa.

The main line of the canal, as improved and now existing, extends from Port Dalhousie to Port Colborne, 26 $\frac{3}{4}$ miles, is 13 feet deep, 100 feet wide at the bottom, and 152 feet at the surface. It has one guard and twenty-five lift-locks 270 feet long and 45 feet wide.

After considerable progress had been made in the work the plan adopted was modified so as to increase the navigable depth of the canal to 14 feet. At the time this was done a few of the locks had been constructed, and these have a depth of only 12 feet on the miter sills, while the rest have a depth of 14 feet. The shallow locks are, however, situated in that part of the line in which the water level can be raised so as to give the 2 additional feet if occasion requires.

The lock-gates are opened by water-wheels, and the locks can be emptied or filled in from eight to ten minutes.

The banks of the canal are faced with stone and trees have been planted on both sides, and it is expected that the trees will in a few years prove a great protection to vessels which are now not infrequently compelled by wind storms to tie up.

For the whole distance from Port Dalhousie to Thorold the canal is lighted by gas and a system of semaphore signals has been established.

Passage is afforded at all stages of the lake level to vessels drawing 12 feet of water, except at the point where the canal crosses the Chippewa River. At this point it is not safe for vessels drawing more than 11 $\frac{1}{2}$ feet to attempt to pass. This will be remedied by the completion of the new aqueduct, which is now being built, and a uniform depth of 12 feet at least secured throughout the whole length of the main channel. Extensive repairs and renewals have been made in the old canal, and it is the intention to maintain it in good condition. The amount of business done upon it is very considerable, it being used by returning

tugs, which in the busy season can get through it more rapidly. The several branches are unchanged. The improvements have cost up to June 30, 1882, \$12,498,107.36, making a total of \$20,328,728.08 spent upon this canal for construction since its inception in 1824.

BURLINGTON BAY CANAL.

The Burlington Bay Canal remains substantially as it was in 1832, when first constructed.

As has been stated before the canal commission recommended the improvement of the Ottawa River and Richelieu River works so as to secure a uniform system from Ottawa to Lake Champlain upon a scale permitting the passage of vessels drawing 9 feet of water.

SAINT ANNE'S LOCK IMPROVEMENTS.

In 1873 a new lock was commenced at Saint Anne's, 200 feet long and 45 feet wide, with 9 feet of water on the sills. The masonry of the lock has been completed, and it was brought into use in August, 1882. Approach channels 100 feet wide at the bottom and of such a depth as to give 10 feet of water at the lowest known level of the river are being constructed. These improvements have cost up to June 30, 1882, \$402,847.69.

GRENVILLE CANAL IMPROVEMENTS.

The enlargement of the Grenville Canals was entered upon a year earlier, and comprised the construction of five locks 200 feet long and 45 feet wide, with 9 feet of water on the sills. The locks have been completed, but the two at the lower entrance, which are to take the place of four old ones, cannot be brought into full use until further improvements are made in the channel. When these are finished, which will be during the current year, the dimensions of the channel will have been increased to a depth of 10 feet and a mean width of 40 feet at the bottom and from 50 to 80 feet at the surface, and crossing basins constructed at approximate distances of half a mile. The cost to June 30, 1882, was \$1,773,586.22.

CARILLON CANAL IMPROVEMENTS.

The improvements on the Carillon Canal were commenced at about the same time as and in connection with those on the Grenville. They comprised a dam 800 feet in length across the Ottawa River three-fourths of a mile above the village of Carillon, a slide with booms 600 feet in length, a floored channel 25 feet wide, and guide piers, a canal three-fourths of a mile long, with two locks 200 feet by 45 feet, with 9 feet of water on the sills.

The dam and slide were completed in November, 1881, and the canal and locks in May, 1882. They cost: dam and slide, \$382,170.71; canal and locks, \$592,971.83; total, \$975,142.54.

By the construction of the dam the water has been raised 9 feet at that point and as far back as the foot of the Grenville Canal, a distance of 7 miles, the level of the river has been raised so that the depth of water on the lower sills of the entrance locks of that canal has been increased 2 feet. It was expected that the necessity of using the Chute à Blondeau Canal, lying between the Carillon and Grenville Canals, would have been obviated by this new route, but when the

water is high many steamers are unable to stem the current which yet exists at the Chute, and have to use the canal. It is in a bad state of repair, and its reconstruction and renovation are contemplated.

RIDEAU CANAL—PRESENT CONDITION.

The commission, it will be remembered, advised that nothing be done with the Rideau Canal beyond keeping it in good working condition. This recommendation has been followed and no new works have been constructed nor improvements made, except that the canal basin at Ottawa has been enlarged and some dams rebuilt, increasing the facilities for obtaining water.

UPPER OTTAWA NAVIGATION.

The Chaudiere Falls, opposite the city of Ottawa, form the barrier which limits the extent of navigation on the Ottawa to vessels from Montreal and Kingston. Above this point, and as far as the mouth of the Mattawan, a distance of 192 miles, there are large stretches of navigable water separated by rapids and obstructions to navigation. The improvement of this part of the river, both for the purpose of connecting it with the Montreal and Kingston system, and as a part of a projected line between the Saint Lawrence at Montreal and the foot of Lake Huron, has been for many years the subject of earnest consideration by the Canadian authorities.

Various surveys have been made and plans proposed, but very little has been actually done towards accomplishing any definite results.

CHATS CANAL.

In 1854 an attempt was made to build a canal around the Chats Rapids, some distance above Ottawa, and \$482,950.81 was expended by the Government of Upper Canada for the purpose. The design was to make the locks 190 feet long and 45 feet wide, and adapt the whole route to a 7-foot navigation.

After the excavation of pits for several locks, and some work on the channel of the canal, it was found that the cutting would have to be for some distance through silurian rock, and therefore very expensive, and the undertaking was abandoned.

CULBUTE CANAL.

Between 1873 and 1876 the Dominion Government constructed a small canal, known as the Culbute Canal, around the Culbute and l'Islet rapids 108 miles above Ottawa. The canal is one-eighth of a mile long, and has two locks built of wood 200 feet long and 45 feet wide, with a depth of 6 feet of water on the sills. It is supplemented by a dam 223 feet long and two submerged dams, all made of wood, by which the water is raised and a 7-foot navigation secured between the head of Grand Calumet Falls and the foot of the Joachim Falls, a distance of 77 miles. The works cost \$313,412.81.

RÉSUMÉ OF WORKS COMPLETE.

The following statement shows in brief the works heretofore described, with the cost of each up to June 30, 1882.

Statement of works and cost up to June 30, 1882.

Works.	Before confederation.	Since confederation.	Total cost to June 30, 1882.
Lachine Canal.....	\$2, 587, 532 85	\$5, 579, 163 90	\$8, 166, 696 75
Beauharnois Canal.....	1, 611, 424 11	68, 754 40	1, 680, 178 51
Cornwall Canal.....	1, 933, 152 09	589, 387 12	2, 522, 539 81
Williamsburgh Canal.....	1, 320, 655 54	1, 077 00	1, 321, 732 54
General expenditures.....	116, 821 31	237, 899 33	354, 720 64
Burlington Bay Canal.....	432, 684 40	30, 426 80	463, 111 29
Deajardins Bay Canal.....	150, 947 93	.....	150, 947 93
Saint Lawrence system.....	8, 153, 218 83	6, 506, 688 64	14, 659, 907 47
Welland system.....	7, 638, 239 83	12, 690, 488 25	20, 328, 728 08
Saint Anne's lock.....	134, 456 51	404, 787 15	539, 243 66
Ottawa Canal.....	63, 053 64	2, 822, 900 28	2, 885, 953 92
Rideau Canal.....	4, 064, 764 07	67, 402 19	4, 132, 166 26
River Tay navigation.....	17, 764 05	.....	17, 764 05
Montreal and Kingston system.....	4, 280, 038 27	3, 294, 989 63	7, 575, 027 90
Chate.....	482, 950 81	.....	482, 950 81
Culbute.....	.....	313, 412 81	313, 412 81
Upper Ottawa.....	482, 950 81	313, 412 81	796, 363 62
Saint Onrs lock and dam.....	121, 537 65	.....	121, 537 65
Chambly Canal.....	634, 711 76	42, 906 64	677, 618 42
Richelieu and Lake Champlain.....	756, 249 41	42, 606 64	798, 856 07
River Trent navigation.....	309, 871 31	6, 398 01	316, 269 32
Grand total.....	21, 620, 068 46	22, 854, 583 99	44, 474, 652 45

Of this grand total a little less than half was expended before confederation and the balance has been expended since.

PROJECTED WORKS.

There remains to be referred to what are known in official reports and pamphlets as "projected works."

OTTAWA SHIP-CANAL.

Ottawa Ship-canal.—Probably the most important of these is the Ottawa ship-canal, to which reference was made under the head of upper Ottawa navigation, viz, a line from Montreal to Lake Huron by way of the Ottawa and French Rivers.

These rivers formed the old French route from Quebec and Montreal to the far west, and its course may be thus traced. The Ottawa was entered at Saint Anne's just above Montreal, and ascended as far as the mouth of the river Mattawan, 305 miles above Montreal and 192 miles above the city of Ottawa. The Mattawan was followed up its course almost due west 44½ miles to the upper end of what is known as Trout Lake, which lies at the summit level. There a low sandy ridge or portage three-fourths of a mile wide was crossed to the north east shore of Lake Nipissing and the lake was traversed about half its length, a distance of 30 miles, to the headwaters of one of the tributaries of the French River. The course of this tributary and of the French River was followed for 50 miles to the mouth of the latter at the east side of Georgian Bay, which is the northeastern end of Lake Huron.

This line of navigation has been examined several times by competent engineers under the direction of the Department of Public Works of Canada. Their reports developed the fact that the total distance by

this route from Montreal to Lake Huron, and through it to Chicago, is very much shorter than (some claiming that it is not more than half as long as) by the Saint Lawrence and lakes, and it was stated that all obstructions to navigation could be overcome by the construction of a series of short canals, the aggregate length of which, including the Lachine and Ottawa Canals, would be 58 miles, and the aggregate lockage 698 feet, or, if dams were used at various points to deepen the waters in certain rapids so as to make them navigable and additional locks constructed, the total length of the canal might be reduced to 29½ miles instead of 58, although the lockage would be greater by a little over 10 feet; both plans contemplated at least 10 feet draft.

The cost of the first plan was estimated at \$24,000,000, and of the latter at \$12,057,680. It was further claimed that by damming the mouth of Lake Nipissing at the head of French River so as to raise the surface of its waters about 23 feet above its natural level it would form a reservoir which would be more than sufficient to insure a constant supply of water on the summit reach. The chief physical obstacles to carrying out the undertaking were said to be that the cutting on the upper section of the Ottawa and French Rivers would have to be through laurentian and silurian rock.

The mouth of French River forms a safe and commodious harbor. It is also claimed that this route would be open within a fortnight, at the most, as long as the Saint Lawrence.

Of the feasibility of the undertaking I am not able to judge, but the fact that, with all the energy that Canada has shown in the matter of her water communications and the frequency with which the enterprise has been before Parliament, no steps have been taken to put the magnificent project into execution would seem to indicate that the judgment of the majority is against it. Of this project the canal commission say: "The importance of this work to the whole Dominion cannot well, prospectively, be overestimated," but, in view of the wide discrepancy in the estimates, they recommended further examination at as early a day as possible.

Trent River Navigation.—Another projected line is that which comprehends as a part of it the Trent River and Newcastle district navigation, of which I have spoken before, and is intended to shorten the distance by water between Lakes Ontario and Huron. The route, as a whole, and in its various sections, has been repeatedly surveyed and as late as 1880, a new survey of the whole route was authorized.

This survey, which is now in progress, is designed to be very complete and reliable, and to determine definitely the feasibility of constructing the line. The plan has been to improve the Trent River to Rice Lake, secure a navigable channel through a series of connected lakes until the summit level between Lakes Ontario and Huron is reached at Lake Balsam, 589½ feet above Lake Ontario, thence descend 118½ feet by a canal and the Talbot River to Lake Simcoe, and 124½ feet more by the river Severn to Georgian Bay.

This line would be extremely crooked, but it is claimed would be so much more direct than the established route that 218 miles would be saved between Kingston, at the foot of Lake Ontario, and the Straits of Mackinaw, the point of junction of the three upper lakes.

The improvements which have been made in the navigation of the Trent River, and those which are now being made, are described under the head of "Trent River navigation."

In making them the department of railways and canals say: "Points

have been selected which will enable them to afford the greatest immediate advantage to local navigation, while at the same time they would form an integral part of the best practicable line of through communication."

Toronto and Georgian Bay Canal.—Another scheme, which has had some earnest and sanguine advocates, especially in the province of Ontario, is what is known as the Toronto and Georgian Bay Canal, to connect Hunter Bay, on Lake Ontario, with Georgian Bay, by way of Lake Simcoe, and shorten the distance between Chicago and Toronto.

Caughnawaga Canal.—A favorite project, and one which at times has seemed to be on the point of adoption by the authorities, and is now by no means abandoned, is the so-called Caughnawaga Canal, to connect the Saint Lawrence above Montreal with Lake Champlain. This scheme has been investigated and reported upon by many prominent engineers, who have studied it both on behalf of private promoters or under the direction of the Government; all of them, I think, have declared it practicable from an engineering and desirable from a commercial point of view, and most of them have recommended that the route should be run from Caughnawaga, an Indian village just opposite Lachine, on the south side of the Saint Lawrence, to Saint John's, on the Richelieu River, and at the head of the present Chambly Canal.

The cost of the undertaking has been variously estimated at from \$1,814,408 to \$4,267,890, the former contemplating a navigable depth of 9 feet and the latter of 10 feet, with somewhat larger and more substantial locks.

The year before the canal commission made their report a company had been incorporated, with a capital of \$3,000,000, to build this canal.

The commission, while heartily approving of the undertaking, say that, in view of the fact that it is in the hands of a private company, with competent powers, they do not feel warranted in recommending any expenditure of the public resources upon it.

The company referred to has never taken any steps to carry out the purpose for which it was organized.

MONTREAL HARBOR—IMPROVEMENTS AND DEEPENING CHANNEL OF SAINT LAWRENCE BELOW MONTREAL.

While a detailed description of the work done under Government supervision on the various navigable rivers and harbors of the Dominion would be beyond the scope of this report, a history of the water communications of the Canadas would be manifestly incomplete if some mention were not made of the improvements which have been undertaken and carried through in the harbor of Montreal and the channel of the Saint Lawrence, between that city and Quebec.

Although in speaking of it generally, Montreal, by reason of its position at the foot of the Lachine rapids, was properly said to be the head of ocean navigation in the Saint Lawrence, yet, in point of fact, until these improvements were commenced, vessels of 400 tons burden were compelled to lighten cargo in order to reach that city from the sea.

Such a condition of things was, of course, a serious embarrassment to the ambition of Montreal to become the center of the foreign commerce of Canada, and detracted largely from the value of the Saint Lawrence system as the highway from the northern and western ports of the continent to the sea. The extent to which it operated to discourage foreign trade is indicated by the fact that up to 1825 there were in the

port of Montreal only two small wharves, with a frontage of only 1,120 feet and a depth of only 2 feet of water, and in 1830 the greatest depth of dockage was 5 feet, and the frontage had not greatly increased.

In response to urgent demands for greater facilities the harbor commissioners of Montreal were organized, and the management of all matters connected with the improvements of the harbor confided to them.

Before the end of 1832 the wharfage had been increased to an aggregate frontage of 4,950 feet, or nearly a mile, with a depth of water varying from 5 to 20 feet.

In 1841 the Board of Public Works of the United Provinces was authorized to improve and deepen the channel below Montreal, and during the five succeeding years \$300,000 was spent for the purpose under their direction.

In 1851 charge of the undertaking was transferred to the harbor commissioners of Montreal, who already had control of the improvements in the harbor proper, and by the latter part of 1853 a channel 150 feet wide and 16 feet deep was obtained.

During the next decade the work was steadily pushed forward, and in 1859 a depth of 18 feet had been reached, and in 1865 a channel 300 feet wide and 20 feet deep was completed.

In 1873 the Dominion Government was authorized to contract a loan of \$1,500,000 to defray the expenses of completing the channel to a depth of not less than 22 feet at low water, interest at 5 per cent., and a sinking fund of 1 per cent., to be paid annually by the harbor commissioners of Montreal out of the revenues of that port.

It was determined by the commissioners, after the work was undertaken, to make the depth 25 feet, and a channel of this depth was completed in 1882. Even before the formal opening of this channel it had been determined to increase its depth to 27½ feet at the earliest practicable date, so that the largest ocean steamers might be enabled to reach Montreal in safety. The General Government has already loaned the harbor commissioners \$900,000 at 4 per cent. to carry out this determination, and the work will be vigorously entered upon at the opening of navigation this year.

WHARFAGE FACILITIES AT MONTREAL.

During the period covered by these operations in the river itself the wharfage facilities had been gradually extended to keep pace with the increasing number and size of the vessels coming to this port from the sea, and the rapidly advancing foreign and domestic commerce of the dominion. There is now an unbroken line of wharves extending from Point Saint Charles, above the entrance of the Lachine Canal, to Hochelaga, a distance of 3½ miles, with an aggregate frontage of 24,809 feet, or 4.17 miles, 16,458 feet of which have a depth of 25 feet, 2,391 feet a depth of 20 feet, and 5,960 a depth of from 10 to 20 feet.

The earlier wharves were built of piles placed in a close row, and backed with earth and stone filling. From 1846 to 1878 they were built entirely of crib-work, strongly framed of pine and other timber, and filled and backed with stone ballast or the ordinary dredging from the harbor. Since 1878 open pile-work has been used where there was no danger from violent shoving of the ice.

The whole work in the harbor proper has cost about \$3,000,000, of which only about half a million has been furnished by the Government, the rest being paid by the harbor commissioners.

The necessity of providing a revenue from which to pay the interest on the loans contracted by the harbor commissioners and the general government, to accomplish these improvements, has compelled the exaction of large harbor dues and tolls. These are heavy taxes upon shipping and a great embarrassment to the carrying trade of Canada.

Efforts have been made from time to time to prevail upon the General Government to treat the deepening of the channel as a public work, and assume the debt already incurred, and carry on future operations, and thus make possible a substantial reduction in the dues.

Municipal and interprovincial jealousies have so far prevented any definite action being taken in this direction, but there is some prospect that the hopes of those who have been active in the matter will be realized, and the improvements of the Saint Lawrence below Montreal be put upon the same footing as those above, and made a public work.

CLOSING REVIEW OF THE CANAL SYSTEMS OF CANADA.

The spirit with which the vast undertaking which has been described was entered upon when Canada was small in population and feeble in financial strength, the unvarying courage and energy with which it has been pushed forward from step to step amid many discouragements and against formidable obstacles, and the magnificent results, looking at them in their physical and political aspects, which have been achieved are apparent from the foregoing narrative.

How far the construction and maintenance of these water-ways, especially the Saint Lawrence route, have operated to build up Canada and increase its foreign and domestic commerce and divert to Canadian channels the carrying trade of the West, in other words, how far the sanguine expectations of the projectors and promoters of these improvements have been realized, is a question not easily answered.

The canal systems of Canada have unquestionably fostered inter-provincial trade, have built up local traffic, have bound more closely together the different parts of the province, and in earlier times did much to stimulate immigration and open up the country to settlement and cultivation. The Welland Canal in particular has been and still is the channel of a large and productive trade between the numerous and important lake cities and towns on both sides of the line. But the canals, as they existed in 1871, were amply sufficient for the needs of local and interprovincial trade, and the promoters and advocates of the improvements and enlargements which have been completed since then, and upon which nearly \$20,000,000 have been spent, had in view something more ambitious and comprehensive than to provide for this.

The canal commission but echoed the sentiments expressed by the public men of the Canadas as early as the beginning of the century, and iterated and reiterated by the advocates of internal improvements from that time forward, when they say, "It only requires an energetic effort upon the part of the Dominion to make the Saint Lawrence the great highway between the sea and the West, at the very base of the Rocky Mountains."

To secure for Canada all those advantages which the possession of this magnificent natural water-way ought to give it; to make the Saint Lawrence route in its whole length the highway by which the surplus products of the West would seek an outlet to the sea; to put it into a position to compete successfully for the export trade of the continent with the various American lines of communication have been the great objects which these works, particularly the recent enlargements and

improvements on the Saint Lawrence route, were expected to accomplish.

Just so far as these objects have been or shall be obtained, to the extent to which a fair share of the grain transportation of the continent has been or shall be secured by Canada, so far, to that extent, have the hopes of the men who planned and carried out these enlargements and improvements been realized. and the vast expenditure in capital and yearly outlay for repairs and interest which the country has submitted to been justified by the results. Judged by this standard it cannot be said that the outlook is an encouraging one. The export trade of the continent consists, and must always consist to a large extent, in the carriage of grain. The Montreal Corn Exchange, in a recent memorial, says, "A nominal share of the grain trade of the continent is an essential element in the prosperity of all other business exports, inasmuch as without it the tonnage requisite to accommodate cattle, lumber, provisions, and other between-deck cargoes cannot be obtained," and so far this year the grain export trade is absolutely dormant. Vessel after vessel, indeed all the ocean steamers which have left this port since navigation opened this season, have gone without sufficient freight to pay expenses, and there is little prospect of any improvement for the balance of the summer.

As to the cause of this most deplorable and disappointing condition of things there are various opinions among those who have given the matter attention and are most immediately interested.

The view most generally entertained is that the Saint Lawrence route is at present handicapped by heavy charges in the form of ship and canal dues, wharfage dues, port-warden charges and pilotage fees, amounting in the aggregate to an almost prohibitive taxation on carriage by this route from the interior to the seaboard. It is asserted that by reason of these charges grain can be carried from Chicago to New York for a cent or a cent and a half a bushel less than to Montreal, and the Saint Lawrence route is placed at a great disadvantage, especially in comparison with its chief competitor, the Erie Canal, a disadvantage from which it cannot recover until the Government remit the canal tolls on eastern-bound freight and assume the debt for the improvements in the channel below Montreal.

The Montreal Gazette, the leading administration newspaper of this province, says in a recent editorial:

The Government has now to determine whether the canal system is to be allowed to fall into disuse until it is finally abandoned as the through carrier, or whether it is to be maintained as a useful competitor of the railways. To make the canals an essential regulator of rail rates, as well as a reasonably successful competitor for the transportation trade, three things are requisite:

The abolition of tolls on all trade except that passing between American ports.

The assumption of the Lake Saint Peter debt.

The reduction of charges at the port of Montreal.

Strenuous efforts are being made by the boards of trade of the leading cities along the Saint Lawrence route and by the forwarders and shippers of grain and other produce to induce the Government to adopt a policy of free canals at once as the only way of saving to Canada its foreign commerce and of securing from the canals the benefits that are expected to accrue by their enlargement.

The Corn Exchange of Montreal say:

The Saint Lawrence route has already lost and must continue to lose its normal share of the grain export trade of the continent unless these exceptional and onerous transactions are ameliorated.

On the other hand, Mr. Niall, the Dominion commissioner of inland revenue, in a recent report, in which he reviews the subject at some length and presents an interesting array of statistics, takes the ground that the struggle is not between the Saint Lawrence and the New York State canals, but between land and water carriage, and that in this struggle the railways are fast outdistancing the waterways and will in the end absorb the whole of the traffic; and finds in this fact, rather than in any excess of charges, the explanation of the condition of the Saint Lawrence route.

Although it can hardly be doubted that the actual cost, taking everything into consideration, of carrying a ton of wheat or grain from any of the lake cities to Montreal is less by water than by rail, yet it is said that at the present time, so keen is the competition between the various railroads, grain can be actually brought from the far west to Montreal by car for something less than by boat. While this condition of things continues traffic will unquestionably be largely diverted to the railways and the effect cannot but be disastrous to the business of the water-ways. The presumption, however, is that the economic laws which govern such matters will eventually assert themselves, and the railways will be compelled to maintain such rates as will make their business, if not actually remunerative, at least self-supporting. When the equilibrium is restored, and when, by an abolition of tolls and a reduction of dues, carriers by the Saint Lawrence route are enabled to compete in rates with those by other routes which are wholly or partially by water, it may be expected that traffic will again seek its natural channel and the country reap a part at least of the beneficial results which were hoped for when the canal commission's scheme was entered upon. It may be mentioned here that there is some opposition to the policy of free canals, on the ground that it will benefit American producers only, and that the loss of revenue resulting from it will increase taxation upon Canadians.

One of the purposes had in view by the Government in determining that the least depth on the Saint Lawrence route should be fixed at 14 feet was to enable the largest class of lake craft to carry their cargoes direct to Montreal without breaking bulk, and even to permit ocean-going vessels to go directly to Toronto and the lake ports.

Subsequent experience has, I think, modified the views of those who hoped for these results, and the consensus of opinion now is that the grain trade which is, as we have seen, the real trade of the route, cannot be profitably carried on in this way, and that the expense of taking an ocean vessel up through the various canals to Lake Erie and the upper Lakes and bringing it back again, or of sending down to Montreal the large lake steamers, would more than overbalance the additional expense of several transshipments between the point of departure and the ocean.

Indeed, the opinion is freely expressed by those whose judgment on the subject is entitled to weight that the enlargements and improvements in the Saint Lawrence canals, not including the Welland, have not been of as much benefit to the grain trade as was expected. Transportation by vessels small enough to pass the canals as they were in 1871, before these enlargements were made, being quite as cheap and in some respects much more convenient than by large vessels.

In submitting this report I desire to express my indebtedness for most of the facts stated in it to the General Report of the Commissioner of Public Works of the United Provinces for the year ending June 30, 1867; the General Report of the Minister of Public Works of the

Dominion for the period between June 30, 1867, and June 30, 1882; the annual reports of the Commissioner of Railways and Canals since 1879; the Report of the Chief Engineer of Canals, submitted in 1880, and a large number of other papers and documents.

I have endeavored to seek out all the sources of information to which access could be obtained and to verify my statements in every way possible, and a large part of the time occupied in compiling this report has been devoted to efforts in these two directions. I could wish the results had been more satisfactory, but I submit them with the hope that they may not be altogether useless.

SEARGENT P. STEARNS,
Consul-General.

UNITED STATES CONSULATE GENERAL,
Montreal, June 1, 1884.

APPENDIX A.—*Table of distances and sections of navigation and of obstructions on the Saint Lawrence route.*

From—	To—	Sections of navigation.	Distance.	Obstructions.
			<i>Miles.</i>	
Montreal	Lachine	Lachine Canal	8½	Lachine Rapids.
Lachine	Meloecheville	Lake Saint Louis	15½	
Meloecheville	Valleyfield	Beauharnois Canal	11½	Cascades, Coteau and Cedar Rapids.
Valleyfield	Cornwall	Lake Saint Francis	32½	
Cornwall	Dickinson's Landing ..	Cornwall Canal	11½	Long Sault Rapids.
Dickinson's Landing ..	Farrano Point	River Saint Lawrence ..	5	
Farrano Point	Croyle's Island	Farrano Point Canal ..	½	Rapids.
Croyle's Island	Morrisburgh	River Saint Lawrence ..	10½	
Morrisburgh	Rapide Flat	Rapide Flat Canal	4	Rapide Flat Rapids.
Head of Rapide Flat ..	Iroquois Village	River Saint Lawrence ..	4½	
Iroquois Village	Galops Rapids	Galops Canal	7½	Galops Rapids.
Head Galops Rapids ..	Prescott	River Saint Lawrence ..	7½	
Prescott	Kingston	River Saint Lawrence ..	56	
Kingston	Port Dalhousie	Lake Ontario	170	
Port Dalhousie	Port Colborne	Welland Canal (old) ..	27	Niagara river and falls.
Port Dalhousie	Port Colborne	Welland Canal (enlarged)	26½	

APPENDIX B.—*Table of distances, sections of navigation, and obstructions on the Montreal Ottawa, and Kingston route.*

From—	To—	Sections of navigation.	Distance.	Obstructions.
			<i>Miles.</i>	
Montreal	Lachine	Lachine Canal	8½	
Lachine	St. Anne's Canal	Lake Saint Louis	14½	Saint Anne's Rapids.
Foot of Saint Anne's Canal and lock ..	Head of Saint Anne's Canal and lock ..	Saint Anne's Canal	½	
Head of Saint Anne's Canal and lock ..	Foot of Carillon Canal ..	Lake of Two Mountains and river Ottawa ..	27	
Foot of Carillon Canal ..	Head of Carillon Canal ..	Carillon Canal	½	Carillon Rapids.
Head of Carillon Canal ..	Grenville Canal	River Ottawa	6½	
Foot of Grenville Canal ..	Head of Grenville Canal ..	Grenville Canal	5½	Long Sault Rapids.
Head of Grenville Canal ..	Ottawa City	River Ottawa	56	
Ottawa City	Kingston	Rideau Canal	126½	Rapids and shallows and falls.

APPENDIX C.—Table of distances, sections of navigation, and obstructions on Lake Champlain route.

From—	To—	Sections of navigation.	Distance.	Obstructions.
			<i>Miles.</i>	
Montreal	Sorel	River Saint Lawrence	46	Saint Ours Rapids.
Sorel	Saint Ours	River Richelieu	14	
Saint Ours .....	.....	Saint Ours lock and dam .....	.....
Saint Ours lock	Chambly basin	River Richelieu	32	Chambly Rapids.
Chambly basin	Saint Johns	Chambly Canal	12	
Saint Johns	Rouse's Point	River Richelieu	23	

APPENDIX D.—Table showing length of each canal, number and dimensions of locks, and dimension and tonnage of vessels which can pass them.

Locks.	Length.	Number of locks.	Locks.			Vessels passing through.			
			Lockage.	Length.	Breadth.	Depth.	Length.	Breadth.	Tonnage.
	<i>Miles.</i>		<i>Feet.</i>						
Lachine	8½	5	45	270	45	12	250	44	1,000 to 1,500
Beauharnois	11½	9	82½	200	45	9	180	44	700
Cornwall	11½	7	48	200	55	9	180	54	750
Williamsburgh	12½	6	29½	200	45	9	180	44	700
Welland (new)	26½	26	326½	270	45	12	250	44	1,000 to 1,500
Saint Ours lock .....	.....	1	5	200	45	7	180	44	600
Chambly	8	9	74	118	23½	7	110	23	6½
Saint Anne's lock .....	.....	1	2	200	45	9	180	44	9
Carillon .....	.....	2	12½	200	45	9	180	44	9
Grenville	5½	5	45½	200	45	9	180	44	9
Rideau	126½	47	(*)	134	33	5	120	31½	4½

* Rise, 282½; fall, 164; 446½.

NOTE.—The depth given is the average depth at low water. When the water is unusually low this depth cannot be maintained, and the capacity of the canals is reduced.

PETROLEUM TRADE IN CHINA.

REPORT BY MINISTER YOUNG, OF PEKING, EMBRACING COMMUNICATIONS FROM THE SEVERAL CONSULS IN CHINA, SHOWING THE CONDITION OF THE PETROLEUM TRADE THROUGHOUT THE EMPIRE IN 1883.

In my dispatch No. 207, dated November 30, 1883, I informed the Department that I had on that date sent a circular note to the gentlemen in our consular service, asking them to send me certain information in reference to the petroleum trade in China during the year 1883, and more especially as to whether there was any renewal of efforts on the part of the authorities to suppress the trade by repressive proclamation.

I have received reports from all the consulates. These I forward as inclosures. Certain facts appear which I may venture to summarize:

Shanghai.—Mr. Cheshire sends a valuable table, showing as a part of the movement of petroleum in Shanghai the import of oils into open ports chiefly supplied from Shanghai during the year 1883.

From this it appears that there has been an increase at Tientsin, Kiu-Kiang, Hankow, Wuhu, and Ching-Kiang, a decrease at Newchwang, Chefoo, Ning-Po, Wenchow, and the country around Shanghai.

The increase amounts to 101,944 gallons, the decrease to 62,997, showing a net increase of 38,947

These figures can hardly be accepted as a test, although, as Shanghai is an important distributing point, they have value. Mr. Cheshire has not had occasion to complain of the proclamations against the use of petroleum in Shanghai which gave Consul-General Denny so much annoyance. The authorities have learned to welcome the oil in a liberal spirit. But by the Lekin system, which adds so many embarrassments to internal trade, the sale has been diminished. The local authorities in the country around Shanghai levy a tax of 5 cents upon each case passing into the interior, a tax which until recently has never been imposed. In spite of this temporary interruption, Mr. Cheshire notes the gratifying fact that the trade during the past six years shows a steady advance.

Tientsin.—From Tientsin, the most important city in Northern China, and in which might be included Peking, we learn that in 1883 398,340 gallons were received. This is a large gain over the import of 1882, namely, 284,130. In 1882 Tientsin showed a falling trade, in 1883 a rising trade. Mr. Pitcher notes a large import in native junks, the amount of which does not appear in the customs returns. He estimates it, however, as in value about one-fifth of the whole. In Tientsin the oil is mainly a re-exportation from Shanghai. I think it would be an advantage to the petroleum interest if the oil could be sent in bulk direct to Tientsin. It would save the cost of transshipment in Shanghai and enable the people to buy at a cheaper rate. I note also that the retail trade is largely in the hands of the Chinese shopkeepers. This I regard as an advantage. Mr. Pitcher points out the fact that, while the native candles made from mutton and beef tallow can only be manufactured at a cost of 15 cents per catty, kerosene is sold at 6 cents per catty. There is an economy in this fact which cannot fail to make a deep impression upon the thrifty Chinese mind.

Newchwang.—From Newchwang, a small northern port, the legation learns that although Shanghai reports a decrease in the shipment, there has really been an increase in the trade of 1,715 gallons. This is a modest advance, but the Department will see that it arises from commercial apathy, and not because of the opposition of the authorities or any indisposition on the part of the people to use the oil. This is seen in the fact that while during last summer oil could be purchased at \$2 a case there is none now in stock, and the last retail price was \$5.50 a case.

Ning-Po.—I regret to note that in Ning-Po there has been a falling off of 188,470 gallons as compared with the return for 1882, which showed an import of 1,505,470 gallons; an increase of 49,279 gallons over the preceding year. When I wrote you in regard to petroleum in my dispatch No. 133, dated February 20, 1883, I alluded to the evil effect upon the trade of the antagonism of the authorities at Ning-Po. As this antagonism, or at least any apparent evidence of it, in the way of unfriendly proclamations or governmental intervention had passed away, I was in hopes to hear of a large increase in the importations for 1883. Mr. Stevens does not explain this disproportion except upon the theory of commercial fluctuations. As he proposes to write you fully on the subject, any speculations of mine would have a negative value.

Ching-Kiang.—Mr. Bergholz, the vice-consul at Ching-Kiang, sends a lucid report as to the trade. I attach much importance to the condition of the business at these interior river ports, as thus we can measure its movement towards the central divisions of the empire.

Petroleum must depend for its stability and growth upon its general

acceptance by the great mass of the people. Therefore much more is to be learned from the statistics of a small river port like Ching-Kiang than from a commercial emporium like Shanghai. Mr. Bergholz points to the interesting fact that while in 1868 the import was only 90 gallons, in 1883 it was 389,090 gallons. And in looking over the valuable table of figures in which he shows the movement of the trade, you will see that the growth has been steady, the increase in 1883 over 1882 being no less than 131,090 gallons. Mr. Bergholz reports the existence of wells yielding a bituminous product, "an oil that burns in water," and which comes from the salt wells in such a quantity that sometimes as many as four or five jars of a hundred pounds each are collected in a day. This, to be sure, is a modest output, but it suggests the possibility that China in time will mine her own petroleum.

Hankow.—The importance I attribute to Ching-Kiang as a port, showing the movement of petroleum towards the interior of China, and its gradual acceptance as essential to daily comfort by the people will also apply to Hankow. Mr. Shepard's report is therefore entitled to careful study.

When we look at the figures the advance is most gratifying. In 1882, 483,974 gallons; in 1883, 1,322,771, an increase of 173 per cent. A part of this Mr. Shepard attributes to the decrease in the supply of native oil, the crop of which was last year a failure. But while a better harvest of the vegetable native oils may limit our hopes for a continued advance, I hold it to be a controlling fact in the development of the trade in China that when once petroleum finds a place, becomes known to the people, and they appreciate its advantages and its economy, no native product will supplant it. Mr. Shepard makes the wise suggestion that "an illustrated popular treatise in Chinese would be of infinite service in making the nature, uses, and proper care of the article known" thus extending the demand.

Foochow.—Foochow has been unfortunate in its relations to the trade, and I regret to learn from the report of Mr. Wingate that there has been a falling off in the import of 44,050 gallons in 1883, as compared with 1882. Even with this, the importation was larger in 1883 than in any year, with the exception of 1882, since petroleum was introduced into China. The causes for this deficit are more to be regretted than the fact itself, for they show a determined opposition to the use of the oil on the part of the authorities. The difficulties attending the growth of the petroleum trade in Foochow will be found at length in the dispatch of Mr. Wingate, which is inclosed herewith. Mr. Wingate refers to the proclamations against petroleum which formed the subject of my dispatch No. 153, dated March 16, 1883. He reports, however, the virtual subsidence of the panic of 1882, and that the proclamations against petroleum had become a dead letter. As a result of this he looked for a still further increase of the trade. It unfortunately happened during summer and fall of 1883 that there were several fires in Foochow to be attributed to petroleum. The most disastrous was caused "by a man filling a kerosene lamp while it was burning. The oil ignited; the man, alarmed, threw the lamp into the open kerosene can, and the loss of a hundred houses and six lives followed." This and other fires less disastrous excited the "gentry" and the "literati," and proclamations were reissued, not to become a dead letter as in 1882, but to be enforced. So strong is this feeling that, although in Foochow as in all other parts of China where petroleum has made its way, the people like the oil for its cheapness and brilliancy, and the shopkeepers because it is a steady source of business profit, the mandates of the authorities have been

obeyed, as is seen in the falling off of the import, and the sudden arrest of a flourishing trade.

Mr. Wingate reports a fall from 160,000 gallons in April, May, and June to 2,800 gallons in October, November, and December; practically a destruction of the trade.

The tone of the proclamations which Mr. Wingate forwards shows that the panic, like other panics, was violent and widespread. "Kerosene means ruin." "Kerosene is a fierce calamity." "The benefit does not make good the harm. For those who offend there will be no pardon."

The difficulties of the situation were not to be regarded without sympathy. There had been many fires. Property had been destroyed. Lives had been lost. Nor was a disaster of this kind, and from a similar cause, a new incident in Foochow. The magnitude of the present calamity could not be underrated. Those who understand the customs of China can see how such a danger is possible. A dense population, small houses, fragile, easily burned, narrow streets, society without the knowledge or the organization to arrest a fire—in such a community a fire means far more than it does in our cities of brick and stone. We know from sad experience what fire can do with even brick and stone.

I saw no reason for making representations to the yamén against these proclamations. They really belong to what might be called the communal system of China. As I discovered when the legation acted upon the representations of Mr. Consul-General Denny, in 1882, the yamén cared nothing about petroleum.

* * * * *

I requested Mr. Wingate to dwell upon certain points, and in dealing with the abstract question of petroleum to show that it was not as dangerous as gunpowder, which is one of the common elements in Chinese industry. And as the Chinese had learned to handle gunpowder with immunity, in time they would learn to do the same with petroleum. I thought, on the other hand, that our merchants who deal in this oil should take pains to furnish as safe a grade as was possible.

Amoy—The Department will note that there has been a marked increase in the import at Amoy, and that the trade since 1880 shows a slow but steady advance.

It is a further gratification to know that, as reported by Mr. Goldsborough in January, 1883, there has been no attempt on the part of the authorities to interfere with the petroleum trade.

I quite understand that an absolutely safe oil would be as useless as water, and that the quality of fire which generates light and heat, and which is the essential quality in a burning oil, is naturally an element of danger.

GENERAL REMARKS.

No oil should be sent here that is not of as high a grade as that sent to India and Japan. The merchants should take pains to develop their trade on broad and humane lines, and nothing would do more toward that than to adopt the suggestion contained in the dispatch of Mr. Shepard.

The petroleum interests at home have been well served by Mr. W. H. Libby, an American gentleman, who came to Asia to represent the petroleum interests. Mr. Libby entered upon his work with intelligent enthusiasm, and judging from the many conversations and communications with which he has honored me, he seems to possess the true idea of

pressing this most important interest in China. I attach much value to the work which that gentleman has done in China, and therefore deem it worthy of special commendation to the Department.

Whilst an event like this at Foochow has a disheartening effect, it is to be considered as among the incidents that attend the introduction of a new article to a conservative community.

In a country where the people for ages have used vegetable and fish oils, whose artificial light forms a minor part in the domestic economy of the household—a people so little affected by change that you find among the coins of commerce pieces which were stamped before the Christian era, you must expect distrust when you propose any innovation, however slight.

Such a thing is not altogether unknown in more civilized communities. I am convinced that in dealing with circumstances like those at Foochow we must use patience, and do what we can to persuade and instruct the people.

* * * * *

In Canton there is a different state of affairs. The viceroy of the Two Provinces has farmed out the sale of petroleum to a Chinese firm, or monopoly, and in order to strengthen the monopoly a special tax of 40 cents is imposed upon each case. The imposition of this tax I hold to be a direct violation of treaty.

As explained in my dispatch No. 297, dated November 30, 1883, I brought the subject to the attention of the foreign office in a note of that date addressed to His Imperial Highness Prince Kung. As an illustration of the delays attending the transaction of official business with the Chinese, although nearly four months have passed no reply has been received.

I have made requests informally for an answer from the foreign office, but without avail. Ten days ago I sent Mr. Holcombe to the yamen to intimate that in my judgment the legation had waited long enough, and that it was time to have some expression of opinion from His Imperial Highness. I was informed that renewed orders had been sent to the viceroy at Canton to make a report, but that until that report was made the Government could not act.

The close of navigation would naturally make communication tedious. Mr. Seymour explains that he has not had a "favorable opportunity to present the kerosene claim advantageously on account of military operations, mobs, outrages," &c.

While I recognized the burdens which had been thrown upon the Canton viceroy, on account of the exceptional condition of affairs in the south, still it seemed that our patience had stood a sufficient test. I have, therefore, requested Mr. Seymour to press the matter upon the attention of the viceroy.

* * * * *

But while these are considerations which belong to the Government of China, and do not especially concern us, however much we may regret them, as showing a defective governmental machinery in the case of the imposition of the tax on petroleum, our rights are clear and undoubted.

As I went into this question at length in my dispatch No. 297 and in my note to Prince Kung, I shall not detain you by a repetition of the arguments therein set forth.

In my dispatch No. 297 I referred to the proposal of the Chinese authorities to adopt a series of rules for the management of the trade

throughout the Empire. I send you a copy of a letter which Mr. Libby addressed to Sir Robert Hart on the subject. Sir Robert informed me in conversation that the new rules would not go into operation until 1885, and that he had written to America for the fullest information, so that when the rules were made they would serve the best interests of the revenue and trade.

The arguments which Mr. Libby presents with so much force will, I do not doubt, have great weight with the customs authorities.

JOHN RUSSELL YOUNG.

LEGATION OF THE UNITED STATES,
Peking, March 28, 1884.

PETROLEUM TRADE AT AMOY.

Consul Goldsborough to Minister Young.

I now have the honor to transmit the information desired by you concerning the petroleum trade of Amoy, which I received late yesterday afternoon from the customs.

What I stated in my dispatch No. 136, January 20, 1883, I may now repeat, to wit:

No proclamations have been issued by the local authorities of my district forbidding or in any way controlling the use of petroleum by the Chinese.

The retail price at which the article is now sold in this market is \$2.90 per case of two tins, containing five gallons each. It is not sold at wholesale.

The accompanying table from 1879 to 1883, inclusive, will furnish, I believe, all the additional information desired.

W. ELWELL GOLDSBOROUGH,

Consul.

UNITED STATES CONSULATE,
Amoy, January 5, 1884.

Table showing import and re-export of kerosene oil during the past five years, 1879 to 1883, inclusive.

Year.	Imported.	Re-exported.	Net imports.
1879	17,980	400	17,580
1880	1,740	20	1,720
1881	20,082	200	19,882
1882	23,780	2,050	21,740
1883	35,728	130	35,598

PETROLEUM TRADE AT CANTON.

Consul Seymour to Minister Young.

I have the honor, in acknowledgment of and reply to your dispatch No. 56, and dated December 10, 1883, to supply the following particulars in regard to the petroleum or kerosene traffic between Hong-Kong and Canton, in 1883.

The importation of kerosene at Canton is usually and almost wholly by native junks from Hong-Kong; and as such imports are not subject

to the action of the imperial maritime customs department's officials no record is kept of quantity or value.

Neither is there in such or any similar imports or exports by native craft any record of duties derived therefrom, as these native custom-house or revenue districts are "farmed out" or sold to Chinese contractors, who will not disclose or reveal any facts concerning such transactions for reasons that are deemed prudential by them.

The British consulate in Canton has, during the last autumn and summer, twice attempted to obtain from the Chinese authorities release of two lots of kerosene brought into Canton by a man who refused to comply with the regulations or requirements which impose, in addition to the import duty, the special tax of 40 cents per case on kerosene. In both of these attempts to get the seized kerosene released the British consul has been unsuccessful.

Viceroy Tséng resisted one application, and Viceroy Chang denied the other applications.

The two viceroys insisted upon the enforcement of the special tax, which they regarded necessary to defray the expense of government within their jurisdiction, and finally objected to a recognition of the demands for release of the seized property, on the ground that the importer was not a British subject, of which there is some doubt, as he appears to be a Chinaman, wearing the garb and adopting or assuming the appearance of a native of China, although he claims to have been born in one of the British colonies, and carries on business between Singapore, Penang, Hong-Kong, and Canton, claiming nativity and residence at or near Singapore. He remains a portion of the time in Canton.

However, it is worthy of notice that in the application of Messrs. Douglas, Lapraik & Co., Hong Kong, in the early part of 1883, for relief from the special tax on kerosene at Canton, and the two applications described in the last half of 1883, the unsuccessful attempts to get kerosene exempted from the obnoxious tax were made through the British consulate—first by Consul Hewlett, now in Europe, and subsequently by Acting Consul Hance, now in Canton.

I do not imagine that in either case there has been any strong effort to convince the Chinese authorities of the irregularity or injustice of imposing the special tax.

With the pressure of business thrown upon the viceroy by emergencies demanding his attention since his return to Canton, there has not been any favorable opportunity to present the kerosene question advantageously for his consideration, and I have felt embarrassed by what has transpired in reference to kerosene between the Chinese officials or authorities and the British consulate.

I shall not omit a favorable opportunity to press the kerosene business upon His Excellency's attention; but military operations, mobs, outrages, &c., are, or have been, uppermost.

During the present month Mr. H. Libby, of New York, returning from a residence or sojourn of a year and a half in Northern China and Japan to America, via India and Europe, visited Canton and was my guest for a few days, during which we had frequent and full interviews in regard to the trade in kerosene, of which, as you are doubtless aware, he is guardian in the East. He fully appreciated the present difficulties. After he went to Hong-Kong I wrote him for information such as you required of me, and knowing his facilities for supplying needed facts I was not quite satisfied with the brief and indefinite, although discouraging, reply which is hereto appended.

It is only in my power to certify to a lamentable interruption in the

kerosene trade in this part of China, through the disastrous effects of the almost prohibitory tax.

CHARLES SEYMOUR,

UNITED STATES CONSULATE,

Consul.

Canton, January 11, 1884.

Mr. Libby to Mr. Seymour.

JANUARY 7, 1884.

MY DEAR SIR: Yours of 5th received. There being no custom-house at Hong-Kong and distribution being through such a variety of minor channels, statistical accuracy is impossible.

The essential point is that several cargoes dependent on Canton for an outlet were compelled, owing to this exorbitant and illegal tax, to be transferred to other and distant markets at great loss to the foreign owners, which has naturally discouraged importation and materially retarded a naturally growing business. As all arrivals of kerosene in Canton are from Hong-Kong I think the customs figures at Canton the most reliable that are available.

I do not think the claim unreasonable that the business would have more than doubled had it not been for the excessive tax, viz, 47½ per cent. as against 7½ per cent. contemplated by the treaty for import tax and transit pass.

Availing myself of the present to again thank you for the interest manifested in my mission and for your courtesy in Canton, I am, sir, yours, &c.,

WM. H. LIBBY.

PETROLEUM TRADE OF CHIN-KIANG.

Vice-Consul Bergholz to Minister Young.

Kerosene oil has rapidly grown in importance as an article of import. Since 1868, when it first appears as a separate item in the customs returns, it has increased from 90 gallons to 389,080 gallons, showing an increase in fifteen years of 388,990 gallons.

The following table shows the quantity of petroleum imported each year since 1868 and the annual increase or decrease :

Year.	Quantity imported each year.	Increase compared with preceding year.	Decrease compared with preceding year.
	Gallons.	Gallons.	Gallons.
1868	90	90	
1869	650	560	
1870	2,030	1,380	
1871	3,450	1,420	
1872	4,632	1,182	
1873	7,100	2,468	
1874	6,112		988
1875	14,390	8,278	
1876	34,160	19,770	
1877	31,050		3,110
1878	56,610	25,560	
1879	130,320	73,710	
1880	177,700	47,380	
1881	198,960	21,260	
1882	257,990	59,030	
1883	389,080	131,090	

The foregoing figures show that the quantity imported has not been invariably increasing. In 1874 there was a decrease of 986 gallons, and in 1877 the quantity imported was 3,110 gallons less than that imported in 1876. Since 1878, however, the quantity has enormously increased, and there is no doubt but that the importation at present is but small in comparison to what may be anticipated, "provided," writes Mr. Acheson, of the Chinese customs, "that the Chinese do not take to utilizing the ample mineral oil resources of their own country."

In the Kiating prefecture, province of Szechuan, there are salt and fire wells which yield an oily, petroleum-like liquid, and where speculation may possibly some day discover something like the well-known Pennsylvania treasures.

When a salt well has been dug to the depth of a thousand feet, a bituminous oil is found in it that burns in water. Sometimes as many as four or five jars of a hundred pounds each are collected in a day. This oil is very fetid, but is made use of to light the sheds in which are the wells (and) caldrons of salt. The mandarins, by order of the Government, sometimes buy thousands of jars of it in order to calcine rocks under water that render the navigation perilous. When a shipwreck takes place, the people make a kind of lamp of this oil which they throw into the water near the spot; and then a diver, and oftener a thief, goes down to search for any article of value that he can carry away, the subaqueous lamp lighting him perfectly.

The Chinese are very rapidly learning the superiority of petroleum over the native vegetable oils, and the high burning test now adopted renders it less liable to explosion, and thus does away with the many objections interposed by the local officials.

Since Mr. Consul Smith's report on petroleum, dispatch dated January 11, 1883, no opposition has been made by the local officials to its sale or use.

Some time ago a British merchant resident offered to build godowns outside the city limits especially adapted for the storage of petroleum, but he received so little encouragement from the Chinese merchants who control the petroleum trade that the matter was dropped.

LEO A. BERGHOLZ,
Vice-Consul.

UNITED STATES CONSULATE,
Chin-Kiang, January 15, 1884.

PETROLEUM TRADE OF FOOCHOW.

Consul Wingate to Minister Young.

In response to the request for information regarding the petroleum trade at this port, contained in your dispatch of the 10th December, I have the honor to say that the action of the officials and literati prohibiting the sale and use of kerosene in Foochow, as reported in my dispatch of 15th November,* is unfortunately the most noticeable feature of the trade during the year 1883.

Had it not been for this action it is probable that I should have been able to report a great increase in the consumption of the oil. As it is the importation for the year was 235,950 gallons, which is more than has been received in any previous year except 1882, when it was 280,000 gallons. The proclamations against the use of petroleum which were issued in 1882 had become a dead letter. The oil was openly burned in every locality, the shops on the main street presenting a brilliant appearance by night. The benefit and economy of the foreign oil were

* Published as a supplement hereto.

apparent, and its use bid fair to increase. Now, however, until within a few weeks not a single kerosene oil lamp has been seen by one passing Chinese houses; its use has been confined to private quarters where it might not be seen by the police and neighbors.

The importation for the several quarters of the year show the effect of the proclamations against its use, thus :

	Gallons.
First quarter 1883.....	26,500
Second quarter 1883.....	160,000
Third quarter 1883.....	46,650
Fourth quarter 1883.....	2,800
Total	235,950

There is now a very small stock on hand, but there is said to be some importations in lots of ten cases from Hong-Kong.

The price of the oil has risen more than one-fourth. Shopkeepers have continued to sell to those whom they know or to those vouched for by their neighbors. A short time ago I heard that it was openly sold at shops just over the bridge, but at much higher prices than it was secretly sold farther toward the city. Within the last few weeks its use has become more general and more open, possibly to obtain an increased light for the new year's festivities, and with the knowledge that the seals of the officials are closed up and the runners so occupied as not to interfere.

The oil is certainly liked and will be used if it can be with safety from conflagration and official opposition. I have lately received from the consulate-general copies of a Chinese pamphlet upon the advantages, &c., of kerosene, which I have been asked to distribute. I purpose to do this so far as I judiciously can.

In your dispatch of 19th December, No. 42, mention is made of a safe lamp that can be made at home and sold for 3 cents. Could such a lamp be shown to the officials and its safety actually demonstrated I think good might be accomplished thereby. You know the difficulty there is in bringing such matters to the attention of the officials, and the indifference and suspicions with which they look upon the representations of a consul who brings to their attention any new object or project, whether calculated to benefit morals or trade.

I think but one brand of oil is used by the Chinese, and I believe it is of a recognized safe standard.

Until the issue of the proclamations the trade in kerosene was almost entirely in the hands of Chinese merchants. The prohibition of its sale by Chinese has given it into the hands of a foreign house.

J. C. A. WINGATE,
Consul.

UNITED STATES CONSULATE,
Foochow, February 1, 1884.

SUPPLEMENTARY REPORT ON THE PETROLEUM TRADE AT FOO-CHOW.

Consul Wingate to Minister Young.

Referring to the correspondence which has passed between consulate and the legation relative to the use of kerosene oil and the opposition thereto in this place, I have now to make this further report.

After the issuing of the former proclamations which were not rigidly

enforced, except in a few localities and for a time, the use of kerosene was again generally adopted, and I looked for an increased consumption as people might learn its advantages and how to avoid accidents which might occur through ignorance and carelessness.

Unfortunately during the summer and early fall there were four large fires, besides several smaller ones, the origin of which was ascribed to the use of kerosene. There is no doubt that the one which was most disastrous to life was started by a man filling a kerosene lamp while it was burning. The oil ignited; the man, alarmed, threw the lamp into the open kerosene can, and six lives were lost. Of the other three large fires, one probably originated from a kerosene lamp, and so did possibly the other two, but I was unable to get any positive evidence as to the facts. Be that as it may, these fires have so excited the literati against the oil that the officials have again issued proclamations against its use; and this time the proclamations are, I am told, to be enforced. The literati have taken hold of the matter and will prosecute any who do not conform to their wish.

The officials have discontinued the use of the oil in their yaméns, which they did not do before.

The shopkeepers would like to continue its use, both on account of its cheapness and its brilliancy.

I do not think that anything can be done at present to stop the opposition.

The many arguments which could be urged against the action of the officials would be powerless to overcome the ignorance and prejudice of the opponents of the cheap light.

The fact that the people are excessively careless with their fires and joss paper, and that from these causes great conflagrations have occurred, will count for nothing—kerosene is now the sole cause of fires.

A proclamation of the commissioners and taotais of the Board of Trade, and the commissioners and taotais of the Friend-in-need Bureau, dated September 6, recounts that the people have continued to buy and use kerosene in spite of the prohibition of the governor-general and the governor. It directs the subordinates to issue proclamations, and it prohibits its use as "inflammable, hard to extinguish, and gravely endangering life."

A proclamation issued by the prefect on the 7th of October, states that shopkeepers will be punished for concealing kerosene on their premises after a day to be fixed. A similar proclamation was issued by the subprefect on the 16th of October, and another on the 25th, recommending the action of the literati of the Si Ma Ward. I inclose a translation of this last.

J. C. A. WINGATE,
Consul.

UNITED STATES CONSULATE,
Foochow, November 15, 1883.

[Inclosure.]

Wangs coast defence subprefect at Nantai (Foochow suburb), for a second and special proclamation.

Know ye: Kerosene leaves ruin. One was before favored with their several excellencies' instruction directing it sternly prohibited.

I, the subprefect, with the prefect and magistrate, have on repeated occasions put forth prohibitions and directed the runners to pass on the mandate fixing a term (within which it is to) be put away, as is severally on record.

I now find that in the Si Ma Ward the literati and people have very sternly prohibited it. Reviewing their rules I find these in reverent observance of official orders and really grasping very clearly high public spirit, and (how) to secure the locality. It is truly worthy of all praise. If the various shopmen can all follow (this example) one can ever be free from unexpected calamities.

Therefore this proclamation, the which regard, ye literati and people, and know: you must examine the prohibitory rules of the Si Ma Ward and collectively disallow the buying and selling of kerosene, and mutually protect and secure each other. Thus, perhaps, the whole neighborhood will enjoy the happiness of tranquillity.

Let none of you disobey. In earnest. A special proclamation appended. Rules of the Si Ma Ward's public prohibition of kerosene—one paper.

Given October 25, 1883.

The whole ward have collectively taken counsel together, that within the ward it be not allowed to sell kerosene.

Should there again be sale of kerosene in the shops, or use of kerosene for light in the various families, once it was discovered (the ward) will certainly, in conjunction with the several gentry and elders, hand it up to the officials, requesting them to prosecute. One will by no means show favor. It were well each apprehensively observe this. Do not say these words were not in time.

A prohibitory notice by the whole neighborhood of the Si Ma Ward.

Proclamation by Wang, Foochow coast defense sub-prefect.

Kerosene's a fierce calamity. The benefit doesn't make good the harm.

General proclamation sternly prohibiting privily buying or selling it of each other. The term expired, those purposely disobeying will be taken and dealt with. One will not pardon.

PETROLEUM TRADE AT FOOCHOW.

Minister Young to Consul Wingate.

I have the honor to acknowledge your dispatch No. 65, in reference to the action of the Chinese officials in Foochow, concerning the sale of petroleum.

It is a source of deep regret to the legation that you have had so many disasters in Foochow, arising from the careless handling of the oil. The sufferers have my deepest sympathy, and I can well appreciate your difficulty in dealing with a people, whose judgment is warped by so grave a calamity.

At the same time you must preserve in your representations to the local authorities. * * * Petroleum is not as dangerous as gunpowder for instance, and other explosive substances which enter so largely into Chinese manufactures. The people, however, have learned how to handle gunpowder with comparative immunity. In time they will learn how to handle petroleum. I count a great deal upon a policy of kind perseverance in showing to the Chinese the true value of this article, and impressing upon them the fact that their own carelessness leads to these calamities.

I think also that you should make inquiry as to the grades of the oils that are imported by our merchants. You should remonstrate with them, and if necessary make an official report to this legation should the oil be at a lower test than what is sold in other eastern countries and at home, and that you should point out the evil of selling an oil that will flash under 110 or 115 degrees. In the inception of what

promises to be so vast a trade our merchants should take the utmost care to begin right. Win the confidence of the people, by selling a safe oil, and not throw upon the Chinese market quantities of the low grade, highly dangerous for domestic purposes, even among those familiar with its use.

Pains should be taken to impress upon the merchants also, the wisdom of securing a lamp that will burn the oil with comparative safety. I am informed on the best authority that lamps of this character can be made at home, and sold for three cents. This price is within the reach of the poorest Chinaman. Once Chinese artificers know how to manufacture these lamps and you have done much towards strengthening the trade.

JOHN RUSSELL YOUNG,
Minister.

LEGATION OF THE UNITED STATES,
Peking, December 19, 1883.

PETROLEUM TRADE AT HANKOW.

Consul Shepard to Minister Young.

I have the honor to submit the following in response to your No. 24, of date December 10 ultimo, regarding the trade in petroleum.

I do not learn of any noticeable interruption to the use of the article among the native population of my consular jurisdiction by official action during the year 1883. Indeed, the only effort of this kind within my knowledge was in connection with the political troubles in May last, which were fully communicated at that time. That disturbance gave a greater or less degree of to the people generally; and from time to time rumors of new troubles continued to arise.

Some three months since such a report was very current in the capital city of Thu Chang, across the river, directly opposite Hankow, and the officials took efficient steps to prevent the possibility of trouble which they evidently feared.

As a precautionary measure, and to prevent incendiary conflagration, the authorities issued prohibition of the use of kerosene by the natives in Wu Chang but allowed it to the Americans resident there when introduced at the gate, accompanied by the consul's pass. The arrangement still continues, but beyond that I know of no hostility at present in official circles to the trade, in or use of, the product anywhere in my consular dependencies.

In the mean time both trade and consumption are constantly increasing. In support of this statement I subjoin the importation through the foreign customs at this port for four consecutive years, quarter by quarter:

Table showing the importation of kerosene at Hankow from January 1, 1880, to December 31, 1884.

Quarter ending—	1880.	1881.	1882.	1883.
	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>
March	88, 200	47, 100	130, 410	192, 080
June	128, 207	96, 660	67, 264	233, 672
September	28, 420	63, 270	116, 600	259, 050
December	40, 330	53, 370	169, 700	637, 969
Total	285, 157	260, 400	483, 974	1, 322, 771

It will be noted that with the exception of 1881 there has been annually a great increase in quantity of the article consumed. The disturbance of the trade in 1881 has been commented upon in my previous report, and need not again be referred to.

The increase of 1882 over 1880 was 198,817 gallons, equivalent to 69 per cent., while the increase of 1883 over 1882 was 838,797 gallons, equal to 173 per cent. The increase of 1883 over 1880 was 1,037,614 gallons, amounting to 363 per cent. of growth in three years, or nearly 125 per cent. average annual extension of the trade. Probably an important cause of the increase of last year was the deficit in native oil, the crop of which was almost a failure.

To the foregoing quantity should be added the import of Kiukiang as a dependency of this consulate. I have not the amount of the year 1883, and some delay would be necessary in obtaining it, but in 1882 there were 48,510 gallons entered at that port, and an increase will undoubtedly appear for the ensuing year.

An interesting and important feature of the trade is the distribution of the product to the interior under transit pass. As I have fully explained in my last annual report to the Department of State, this branch of commerce is entirely in the hands of foreigners, although the goods sent inland are, as a rule, undoubtedly the property of natives. But the natives do not send foreign goods inland, although they have the same right under the treaties and trade regulations to do so.

For obvious reasons they do not think it wise to use the privilege, but employ foreigners to do the business for them. I present the amount of such distribution in the provinces of Hupeh, Hunan, Honan, Szechuan Kweichow, Shansi, and Kwangsi. The largest quantity went into Hunan and the smallest into Shansi.

By inspection of the map it will be seen that these provinces embrace the entire limits of the empire from north to south, and every province to the west except Yunnan, including, probably, three-fourths of the territory of the empire. A beginning of the trade in, and demand for, petroleum, thus extensively made, is not likely to show any diminution in future, but an increase may be reasonably looked for corresponding to the vast area of country to be supplied. There may be temporary impediments, but, as in the past, and in other countries, the progress will not retrograde.

The proportion of increase in the inland demand may be deduced from the following table, showing the distribution by inland transit passes of petroleum from January 1, 1880, to December 31, 1883, by quarterly periods :

Quarter ending—	1880.	1881.	1882.	1883.
	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>
March	8, 940	5, 020	20, 630	24, 967
June			21, 600	51, 100
September	7, 850	20, 870	46, 790	28, 325
December	3, 472	17, 930	39, 350	144, 500
Total	20, 262	43, 820	118, 370	248, 892

I have endeavored thus to present the traffic in an understandable form without prolixity.

Mr. Libby's pamphlet I have read with interest, but I still think an illustrated popular treatise in Chinese would be of infinite service in

making the nature, uses, and proper care of the article known, and thus extend the demand.

ISAAC T. SHEPARD,
Consul.

UNITED STATES CONSULATE,
Hankow, January 4, 1884.

PETROLEUM TRADE OF NEWCHWANG.

Vice-Consul Bandinel to Minister Young.

In reply to your dispatch 24, concerning kerosene oil, I have the honor to state that the Chinese authorities have in no way interfered with its sale and consumption. The quantity imported has been, in 1882, 6,445 gallons; in 1883, 8,160 gallons. Importation in 1881 reduced prices to a point at which they paid little or no profit; prices this summer were \$2 per case; at present there is none in stock, and the last retail price obtained was \$5.50.

J. J. FRED. BANDINEL,
Vice-Consul.

UNITED STATES CONSULATE,
Newchwang, January 17, 1884.

PETROLEUM TRADE AT NING-PO.

Consul Stevens to Minister Young.

In compliance with the request contained in your dispatch No. 28, of December 10, 1883, in which you informed me that the body of information received in my dispatch No. 23, of January 17, 1883, was found of value to the Department of State, and that you desired further information from this port regarding the petroleum trade, and more especially how the importations of the present year compared with preceding ones.

I have the honor to herewith submit the following figures, giving the importation of kerosene oil into the port of Ning-Po for each year, from January 1, 1874, to January 1, 1884:

Year.	Gallons.	Year.	Gallons.
1874	39, 530	1879	774, 128
1875	96, 320	1880	871, 830
1876	96, 950	1881	755, 191
1877	106, 585	1882	1, 065, 470
1878	279, 584	1883	817, 000

A glance at the above figures tell their own story better than words from my pen could.

The trade for the past year has not equaled the preceding one for reasons known to you perhaps better than myself. Every branch of commercial industry after it has once been established has its fluctuations.

This particular branch of our national industry is somewhat peculiar.

As I purpose to write to the Department of State very shortly regarding the petroleum trade at this port, giving a little history from its first inception to the present time, also regarding the quality of oil as first received and that which is now being delivered, I do not suppose it would further this branch of our commercial industry by giving my views utterance in a crude state at the present time. I may, however, add that there is nothing inimical to the interest done within the district by any of the officials that I know of.

EDWIN STEVENS,
Consul.

UNITED STATES CONSULATE,
Ning Po, January 22, 1884.

PETROLEUM TRADE IN SHANGHAI.

Vice-Consul-General Cheshire to Minister Young.

In answer to your dispatch No. 102, I have the honor to submit the following remarks upon the trade in petroleum at this port, which, has increased steadily during the past six years.

Though Shanghai, unlike some of the other treaty ports, has been free from any direct official interference with this important branch of American trade, in the shape of proclamations against the use of kerosene, as was the case some two years ago, yet it cannot be said that the trade has not been indirectly interfered with, for it has by the levying at the barriers, in the country adjacent to the port, of a lekin tax of 5 cents per case. No such tax previous to last year was ever levied by the lekin authorities, and it is said it has in a measure resulted in diminishing the consumption at the inland towns which Shanghai supplies. Official remonstrance was made by this office against the levying of this tax, but to no avail, the lekin authorities claiming that it was a legitimate exaction, and that they had a perfect right to levy the tax upon the oil, as it has passed in the hands of natives, and besides this, when transported in the country and not protected by transit pass must be subject to the payment of lekin the same as other articles.

Shanghai supplies oil to all the ports from Foochow south to Newchwang north, inclusive, *i. e.*, Newchwang, Tientsin, Chefoo, Chin-Kiang, Wuhu, Kiu-Kiang, Hankow, Wenchow, and Foochow.

That kerosene as an illuminant is increasing in popularity among the Chinese the statistics of the past six years show, and it is satisfactory to note that in spite of official remonstrance and other movements which have from time to time been made to impair its development, the trade steadily increases each year. With a view to place before the Chinese an account of the advantages and harmless nature of kerosene, its cheapness and brilliancy as compared with other lights, Mr. W. H. Libby has had prepared a circular in the Chinese language, and at his request this office is sending them to our various consulates for distribution among the natives in their several districts.

F. D. CHESHIRE,
Vice-Consul-General in Charge.

UNITED STATES CONSULATE-GENERAL,
Shanghai, January 4, 1884.

PETROLEUM TRADE AT TIENTSIN.

Vice-Consul Pilcher to Minister Young.

I have the honor to acknowledge the receipt of your dispatch No. 41, dated December 10, 1883, requesting certain information in regard to the condition of the petroleum trade of this port, and in reply I beg to submit the following statements:

The import of kerosene oil at this port during the year 1883 has amounted to 398,340 gallons, as indicated by the books at the office of the imperial maritime customs, to which I have had access through the courtesy of the commissioner. It is further claimed that a large importation of the commodity is made in native grain junks, whose owners are allowed to import free of duty any cargo they may choose after the quota of grain is filled. Neither native nor foreign customs take official notice of this kind of importation, and consequently the amount can only be estimated, and by some authorities is said to be equal to fully one-fifth of the entire importation at this port.

All the petroleum entered here is a re-importation from Shanghai, and, with the exception of 8,000 cases purchased by an English firm, was consigned to native merchants, and in the case of the firm referred to the oil was soon transferred to native parties, leaving the trade entirely in the hands of the Chinese.

The following is a comparative list showing the amount of import and its variation for four years, including 1883:

Year.	Gallons.	Value (American gold).
1880.....	315,221	\$62,475 84
1881.....	292,030	48,414 24
1882.....	284,130	41,722 38
1883.....	398,340	80,304 84

It will be noticed that in the above table the amount given for last year differs from the figures quoted by Consul Zuck in his dispatch No. 31, dated December 19, 1882; but it must be remembered that at the early date on which he wrote the customs returns for the year had not been completed.

I would particularly call your attention to the fact that the importation for the year 1883 is largely in excess of any previous year, not excluding 1879, when the quotations indicated a gross import of 385,000 gallons.

The native authorities at this place have imposed no restrictions upon the sale or use of the article, and though the cost at wholesale and retail has varied but little during the last two or three years the commodity itself is being more widely used throughout the country, especially along the water-courses where its transportation is easy and safe, and even away from the rivers it is found in use in all the larger cities of this and adjoining provinces.

Before its introduction into the country the Chinese were restricted to the use of oils expressed from the bean, or from sesame and other seeds, varying in price from 8 to 10 cents per catty, or on occasions of

greater ceremony to the use of candles made of beef or mutton tallow at a cost of about 13 cents per catty; whereas the cost of kerosene per catty does not exceed on an average 6 cents, and the same quantity in weight will supply a light of greater intensity for fully twice as long as can be obtained by the other method referred to, and is far more cleanly and less troublesome to the consumer.

To meet the demand for a cheap light the Chinese have invented a small lamp, made of tin, and quite similar in size and shape to the larger candles in common use. The device is simple and is so arranged as to be fitted on a candlestick. No globe or chimney is used, and the flame is necessarily small and emits more or less smoke, but even then is far superior to the lights formerly used.

The native shops and wealthier residents purchase lamps of larger size and giving greater light, manufactured either in foreign countries or in Southern China.

Three brands of petroleum are imported here, and there can be no doubt but that any brand of good quality will find acceptance, and that there will always be found here an increasing demand, thereby greatly relieving the overstocked market of the United States.

L. W. PILCHER,
Vice-Consul.

UNITED STATES CONSULATE,
Tientsin, December 15, 1883.

PROPOSED PETROLEUM REGULATIONS.

Mr. Libby to Sir Robert Hart.

Referring to the communication I had the honor of addressing you early in August last relative to the petroleum regulations contemplated by the Chinese authorities, and in continuance thereof, I have first to acknowledge the courtesy through which I have been permitted to examine the documents, suggestions, and correspondence at the custom-house in Shanghai having a bearing on this important commercial question.

These have culminated in a series of proposed "regulations" which, in my judgment, carry the imprint of intelligent investigation, and are characterized by a spirit of intentional fairness to the future commerce of petroleum. I observe the important features of these regulations are substantially as follows:

(1.) That the standard of test shall be raised from 111° to 115°, burning point, to be determined by the Sayboldt instrument, or the nearest available equivalent thereof should the instrument referred to as the "Wisconsin State tester" or any other instrument be adopted.

(2.) That a uniform standard for all parts of China is far preferable to a varying standard, and that therefore the former shall be adopted.

(3.) That not less than one year's notice shall be given in order that commerce may adjust itself to the said regulations, and that the custom house inspectors may have opportunities to familiarize themselves with the instruments and all details of inspection.

(4.) That a reasonable limitation of retail holdings shall be substituted for the former idea of licensing native retailers.

(5.) That the construction and location of the Pootung godowns require no modification, and that in other Chinese ports and cities where

godowns may ultimately be requisite, the construction and location must be governed by the conditions then and there prevailing.

It is only the purpose of the present to refer briefly to the subject of instruments and inspection.

Confirming the statements and suggestions of my former letter, I fully recognize the fact that any man of ordinary intelligence may become a competent petroleum inspector, but even a man of extraordinary intelligence cannot become such without careful investigation and considerable practice. Inasmuch as the question is a comparatively new one in China, and considering the time necessarily consumed in the interchange of ideas between the Orient and the Occident, especially when mechanical and scientific questions are involved, I would respectfully urge a notice of at least eighteen months instead of the one year now contemplated.

I notice that the commissioner of customs at Shanghai and his associates, having primarily recommended the Sayboldt instrument, subsequently advised in lieu thereof an instrument referred to as the "Wisconsin State Tester," and for the reason as set forth that Mr. A. H. Elliott connected with the school of mines of a prominent New York educational institution had expressed a preference for that instrument after some experiments made by him under the auspices of the board of health, &c.

Aside from the fact that Mr. Elliott had not heretofore been prominently identified with petroleum questions, and aside from any merits which the instrument he advocates may or may not possess, I unhesitatingly affirm that the adoption of *any* instrument with which the commerce and inspectors of the world are unfamiliar is unnecessary, certainly *premature*, and calculated to throw the entire business into confusion.

The vast machinery employed in petroleum refining could not possibly be adjusted to meet the technical requirements of a large number of instruments, or the varying freaks of a great number of laboratories, and reasonable legislation seeks not to exact it. Aside from the foregoing I have no motive in assailing any instrument, nor do I claim perfection for either the "Sayboldt" or the "Abel" instruments, and if improvements are feasible no one would have so great an interest in according them prompt and hearty recognition as the industry which I represent; but the fact remains that out of the many instruments presented for examination during the past fifteen years, the "Sayboldt" and the "Abel" have emerged as the best calculated to meet commercial requirements and scientific exaction, and my very latest home advices fail to indicate a single transaction for its basis other than the two instruments aforesaid.

I was so fully impressed during the interviews you were kind enough to accord me in Peking that the purpose of the Chinese Government was to regulate, but not to embarrass or obstruct petroleum importation, that I venture to trust the following suggestions may be in accord with your own views and also the views of the commissioner at Shanghai and his associates, viz:

(1.) That at least eighteen months' notice be given as to when the new regulations are to go into effect.

(2.) That 115° burning test by the "Sayboldt" instrument be then accepted, subject to a notice of at least one year should the substitution of any other instrument be determined upon.

The foregoing can certainly inflict no injury upon the Chinese Govern-

ment or its people, and appears to the writer a reasonable plea in behalf of the convenience and the rights of commerce.

Under separate cover, but probably not by the present mail, I shall transmit a few "mems" as incidental to the present communication and the subject generally.

WILLIAM H. LIBBY.

SHANGHAI, *November 13, 1884.*

PETROLEUM REGULATIONS FOR CHINA.

[MEMO.—Incidental to the proposed petroleum regulations of China and in continuation of the letters of William H. Libby to the inspector-general.]

A. China is the third or fourth country of consuming importance to demand a higher standard than 110° burning point. Whether Japan will demand 115° burning point is still undecided, the Government having some months since withdrawn its notification to that effect. The writer confirms, without repeating his arguments in support thereof, that the retention of 110° burning point both in China and Japan would be in the interest of economy and not opposed to the dictates of prudence.

B. The New York Produce Exchange have not merely adhered to the Sayboldt instrument, but during the period covered by the experiments and reports of Mr. Elliott made not even a reference to the instrument he commends, and neither has the said instrument appealed favorably to European scientists.

C. The board of health has been inimical to the petroleum refining interests, and for causes extraneous to any question of burning standard, and I regret to say that rumors are not infrequent that the intermeddling on the part of New York political bodies with this and other industries is traceable to motives scarcely so elevated as the mere solicitude for the public welfare.

D. No definite response can be forthcoming to the proposed query to the New York Produce Exchange as to the scale of cost for each added 5° of burning or flashing test, even if based on the Sayboldt or Abel instruments instead of the Wisconsin State tester, as named in the suggested inquiry. What might be termed the wholesale transactions are confined to 110° and 115° burning point Sayboldt, or the nearly corresponding tests of 70° and 73° flash point Abel.

The difference of cost just at present as between these standards is not excessive, but many circumstances might transpire to further widen it. There is no intermediary product worth a mention between these standards and 150°, but an ascending standard not merely results in a rapidly increasing cost but in such a diminution of product as would seriously curtail its consumption among the masses of the people the world over.

The 150° test referred to by the Shanghai commissioner is a "fancy product," a very small percentage of the aggregate yield, and inadequate both as regards cost and quantity to respond to anything beyond a special and limited demand. It would only be a government desiring to forbid or prevent its poorer subjects from using this cheap illuminant that would seek to exact the higher standard. No government has yet done so.

E. There is no obstacle, legal or otherwise, to the warehousing and insuring of petroleum in America.

The principal stocks, however, for purposes of economy and convenience, are stored until time of sale in immense reservoirs at the various refineries.

Upwards of 200,000,000 gallons were consumed in the United States alone during 1882, or at the rate of about 1 gallon to each 4 of population, which serves to indicate its safety and popularity.

Some localities limit the stocks to be carried in retail hands and others do not.

Regulations for warehousing petroleum in London, when very large stocks are of necessity carried, came before Parliament the past season, and consideration is deferred till the coming year. Stocks in Great Britain and Europe are carried in barrels, which are cheaper but not so reliable for the Oriental countries as tins and boxes now employed.

F. The inspection of petroleum is going on every day while the vessels are being loaded.

The inspector sometimes, and quite at his option, takes samples for testing from the reservoirs from which the cases for export are being filled, or from the filled cases at random, or in any other way, or in as many ways as he thinks proper.

Inspection is a thoroughly organized feature of the petroleum business, and the reliability of the inspector's certificate has rarely been challenged in any of the import markets of the world; and in any country declining to accept their finality they should certainly be received as strong presumptive evidence that the cargoes they cover are what the purchaser has stipulated to receive and what the refiner has guaranteed to deliver.

"Muster" packages are scarcely possible under existing inspection and storage regulations, even if the disposition or any incentive existed in this direction.

G. Neither the letters of the writer to the inspector-general nor the foregoing memorandums are conceived in any spirit of criticism to the suggestions of the Shanghai commissioner and his associates, the general spirit of fairness and intelligence which permeates them being fully recognized, but he, the writer, nevertheless believes that they should not press the recommendation that the Chinese Government exact 100° test by the "Wisconsin State Tester." There is no scale of equivalents as between this and the generally accepted instruments, and the writer's conversancy with the general question of machinery and inspection leave no doubt in his mind that should the Chinese Government adopt the said instrument and test, or any comparatively unknown and unrecognized standard, it would needlessly obstruct and complicate the commerce of petroleum.

Certainly the scientific advisers of the Chinese Government should recommend the adoption of the recognized instruments and methods until they have the opportunity of making experimental comparisons for themselves.

I believe as yet there are no instruments in China.

Respectfully submitted to the inspector general.

AMERICAN AND RUSSIAN PETROLEUM.

REPORT BY CONSUL-GENERAL HEAP, OF CONSTANTINOPLE.

The inclosed table No. 1 shows the exportations of Russian petroleum from Batoum in 1883.

There have been some exportations from Poti and Novorossisk, Caucasian ports, during the same period of which I have not been able to ascertain the amount, but it was insignificant, and it is probable that hereafter little or no petroleum will be exported from these places, as Batoum is absorbing all the traffic.

Table No. 2 exhibits the quantity and value of petroleum imported into Constantinople from the United States in 1883. A portion of it has been transhipped to Black Sea and Danubian ports, viz, Trebizonde, Sinope, Samsoon, Galatz, Widdin, &c., but I cannot give the exact quantities, as the custom-house and the importers are either unwilling or unable to furnish the information.

There is, however, sufficient evidence to show that American petroleum has not yet lost its foothold in Asia Minor or in Roumania and still less here, notwithstanding the formidable competition of its Russian rival.

The vexatious measures of the Turkish Government in support of an oppressive private monopoly of the storage of petroleum has had an unfavorable influence on importations, and to this must be added the uncertainty as regards the duty to be imposed on this article by the new tariff.

The Turkish Government proposes to tax it at the onerous rate of 20 per cent. ad valorem, which is the highest in the tariff.

G. H. HEAP,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Constantinople, April 28, 1884.

1. Export of petroleum from Batoum, Russia, in the year 1883.

Destination.	Petroleum.	Raw naphtha.	Lubricat- ing oil.
	Gallons.	Pounds.	Gallons.
Constantinople.....	380,000	512,504	9,317
Remainder of Turkey.....	1,717,600		
Bulgaria.....	208,185		
Galatz.....	200,000		
Trieste.....	361,000	153,299	1,201,772
Fiume.....	228,000		
Venice.....	100,000		
Maracilles.....	25,080	2,108,582	78,825
London.....	514,385	583,000	4,126,573
Total.....	*3,729,320	3,357,464	5,416,497

* Equivalent to about 372,922 cases of ten gallons each.

2. Import of petroleum from the United States at Constantinople during the year 1883.

Number of cases, 10 gallons each (equivalent to 2,019,840 gallons)..... 201,984
Value of the same \$256,761 90

IMPORTS AND EXPORTS OF LIVE STOCK INTO AND FROM DENMARK.

REPORT BY CONSUL RYDER, OF COPENHAGEN, ON THE LAWS AND REGULATIONS GOVERNING THE EXPORTS AND IMPORTS OF LIVE STOCK FROM AND INTO DENMARK.

EXPORTS OF LIVE STOCK TO ENGLAND.

I have herewith the honor to report that a circular has in these days been issued from the ministry of the home department to the authorities of all the districts in the kingdom containing further regulations to be put in force in the shipment of all descriptions of live stock from this country to ports in Great Britain, these being supplementary to the stringent regulations already in existence.

The great importance of this trade, together with the deep anxiety felt by the agricultural classes in Denmark, has doubtless influenced the Government to enforce without delay these additional measures of safety, in face of the great pressure which is being brought to bear on the English Government for greater restrictions on the importation of live stock, tending toward the prohibition of entry of all animals from countries declared as infected by contagious cattle diseases.

It is here feared that the concession now forced from the British Government is but the introduction of the thin end of the wedge, and that the English landed interests will not rest satisfied before they have obtained the entire prohibition of all live stock.

It cannot be denied that British agriculturists during the later years have been subjected to heavy losses, arising partly from a succession of bad harvests, combined with very low prices of cereals, consequent upon the heavy free importations from foreign countries; and that with an annual falling off in acreage of arable land brought under the plow, their attention has now to be turned to an increased raising of live stock; and whilst they now come forward under the plausible pretext of seeking protection from the losses they sustain in their herds through the introduction of disease from abroad, it might perhaps have been more honestly asked for as a protection to this branch against a similar foreign competition as that which to their cost they have had to encounter in the branch of cereals. Foreign countries engaged in this trade will, under these circumstances and for the protection of their own interests, act prudently in taking all possible precautionary measures to prevent the shipment of any cattle whenever even the slightest symptom of disease may present itself.

The circular from the home department, under date of the 31st of last month, is of the following tenor:

(1.) The veterinary inspection of all animals exported shall at all times take place during daylight.

(2.) In all cases where stall accommodation is insufficient at the port of shipment strict care shall be taken that the animals, more especially during the cold seasons, are shipped immediately after inspection.

(3.) Whenever animals after inspection are allowed to remain more than twenty-four hours before shipment a fresh inspection shall be made before shipment is allowed.

For such new inspection, when the delay is not occasioned by any act of the shipper, no extra fee will, however, be charged.

(4.) The amount of animal fodder to be carried by the export ships shall be calculated at 16 pounds of hay at the least for each full-grown animal for every full day of an ordinary length of voyage, as also of 16 pounds of straw for the entire passage.

Six sheep or older calves (three to four months up to one year old) are in this respect to be reckoned equal to one full-grown animal. For young calves (under three to four months), when milch cows are not on board to supply the required food, a supply of such quantities of bran or meal shall be carried as may be deemed necessary. For swine one-half bushel of potatoes daily or other appropriate food (grain, meal, or bran).

(5.) During the periods from the 15th November to the 31st March, inclusive, no animals of any description whatever shall be carried on the open deck, and shorn sheep only during the summer months from the 15th May to the 15th September.

(6.) Hay and straw which may have been taken from this country, but may not have been used on the voyage, can only be brought back in such cases where the hay has been taken on board and on its return home is still to be found in its original state of compressed bales; and straw which on the home lading has been tied up in bundles, and which have not been disturbed during the voyage. In witness thereof a written declaration shall be made by the captain, and in all cases when such certificate cannot be given the hay and straw brought back shall be destroyed or disinfected, and the ship likewise be subjected to disinfection.

The previously existing stringent regulations for the safe conducting of these shipments were of the following nature:

I.

Every animal intended for shipment to Great Britain shall, previous to shipment, be inspected at the expense of the shipper by a veterinary surgeon appointed by the police magistrate of the district, and may only be shipped when after inspection it has been found that it shows no appearance of suffering from any contagious disease, for which a certificate will have to be given by the veterinary.

The prohibition of shipment to Great Britain is also to be observed in respect to such animals which under the prescribed inspection may have been found free from any contagious disease, but which at the same time may present such symptoms as might lead in the aforementioned country to a suspicion even of any such disease. In the inspection of the animals, and which must always take place on shore, and at which the different herds must be kept separate one from the other, so that the transmission of any possible contagious disease from one herd to the other may be avoided, the veterinary's close attention must be specially directed in regard to each individual animal as follows:

(a.) If it presents any appearance of suffering from ordinary fever sickness, either without or in combination with such ailment of any of the organs or organ systems, from which might arise the least grounds for suspicion of the presence of any contagious disease.

The symptoms to which in these cases the veterinary must give his special attention, and which will call for his strict investigation, may be mentioned a lean, poor, and sickly appearance, with a hard skin and bad hair covering, cold shiverings, quick and irregular breathing, a sickly change of skin color, purging, as also violent running of the eyes and nostrils, bloody urine, bloody excrements, and the like.

(b.) If any skin efflorescence, skin nakedness, or sores of any suspicious kind are to be discerned in the animal.

It will therefore be necessary that the veterinary, with respect to each individual animal (cattle or sheep), should make a close examination of the lips, gums, tongue, and mouth orifice; also of the udder and teats; of the clefts of the hoofs, and of the horns, with reference to the possible existence of spots, blisters, or pustules; abrasions of the outer skin, or phlegm coverings. In respect to horned cattle, inspection of the hoofs may be confined to the fore-joints; unless the animal should present a tender or halting gait in the hind joints, in which case these must also be "lifted up" for the purpose of a careful examination. With respect to sheep it will be of importance that the skin, and especially the condition of the naked parts, are subjected to a close inspection, in evidence that no wool-casting, sores, scab-formation to any degree, spots, blisters, or pustules, which could lead to the suspicion of small-pox or scab disease are visible on the animal.

For the careful inspection of sheep it is necessary that these animals should be laid on their backs.

In all such cases, where the above-mentioned sickly appearance of injuries or any others to which similar importance might be attached should show themselves in any of the animals brought under inspection, the sanitary certificate for such shall be refused, and the exportation of the animal to Great Britain be prohibited.

Every animal, previous to shipment, and which shall be effected under the supervision of the veterinary police, must be provided with a distinct mark, which may be made in oil colors or by burning on the horns. This mark will have to be entered by the veterinary upon the certificate which he issues, and in which, at the same

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time, the sex of the animal must be mentioned. Immediately after the conclusion of the inspection the veterinary will have to hand in to the police magistrate a detailed report of the result thereof. In such cases, where any animal may be detained in consequence of the refusal on the part of the veterinary to grant the required health certificate, the police magistrate shall, without the least delay, report the same to the home department, accompanied by the declaration from the veterinary stating the grounds on which the certificate was refused, as also full information as to the steps that it may have been deemed necessary to take in the matter.

II.

No vessel shall be employed in the transport of domestic animals to ports in Great Britain until permission from the veterinary police has been first granted, and such permission in every case where the vessel may be considered dangerous to infection shall only be granted after the vessel has been subjected to a thorough course of disinfection.

As dangerous to infection shall be considered—

(a.) All vessels which on their previous voyage have entered the port of any country outside of Great Britain from which the importation of live stock into this kingdom is either prohibited or restricted by a three-weeks' isolation at the port of arrival, as also from those countries whence such importation is likewise prohibited in Great Britain, and which at the present moment is the case with all countries with the exception of the British possessions in North America and the Scandinavian lands.

(b.) All vessels employed in the transport of live stock from Denmark to Great Britain, whenever they have been engaged, for however short time, in any other trade.

(c.) All vessels, in which are to be included the vessels engaged in the regular cattle trade between Denmark and Great Britain, whenever on their return passage from said land they shall have carried contagious conveying articles, such as wool, hair, hides, straw, and the like.

It is forbidden to ship animals from this kingdom to Great Britain on board of vessels which also convey animals from other places, or which in the course of the voyage to their port of destination should call at any foreign port for the purpose of taking animals on board at such places. It is likewise forbidden to send animals by such vessels as may be carrying fresh slaughtered meat (with the exception of such as may be carried for ship's use), unless it is the flesh of animals which at the time of slaughtering or afterwards, before it has been cut up and whilst the offal is still at hand, has been inspected by a veterinary surgeon and found in sound condition, and by whom the meat and its packing has to be furnished with a properly attached certificate, in which the inspecting veterinary under his signature shall add the words "veterinary surgeon," and shall also state, together with the date and place *where the certificate is issued, that it is meat from a sound and healthy animal.*

In conformity herewith, no animal shall be permitted by the veterinary police to be shipped to Great Britain whenever the vessel has on board either animals from any foreign country or fresh meat which is not provided with the before-mentioned certificate, and when this is the case the loading shall not either be permitted before the captain has given a written declaration, whereby he binds himself not to take on board any fresh meats at the port of loading unless it be provided with the before-mentioned certificate, as also, in such cases where the vessel does not sail direct to its port of destination, that he will neither load live stock nor fresh meat in the foreign ports which the vessel on the voyage may enter or call at.

III.

Lastly it will be required for the safety and health of the animals that a sufficient room space is allotted according to the numbers taken on board; that the ventilation of the ship's hold is adequate, and that the vessel is supplied with such quantities of hay, straw, and water as may suffice even when the voyage should be prolonged beyond its ordinary duration. Also that the animals are accompanied by the needful attendants for their feeding and care during the voyage.

IMPORTS OF LIVE STOCK INTO DENMARK.

I have also to report that supplementary to the existing regulations for the importation of live stock into this kingdom, it is now further enacted that live cattle imported from any country, other than those from which the importation is either prohibited or subjected to a restrictive isolation of three weeks after landing, will now immediately after

arrival have to be stalled under the supervision of the veterinary police, and within twenty-four hours after arrival be submitted to inspection by a veterinary surgeon, after which, with his permission, and, if required, under his supervision, they may be removed to their places of destination.

The general regulations further enforced in this kingdom for the import of live stock from countries declared as infected with contagious cattle diseases are as follows:

From Russia, a very stringent import prohibition, which not only embraces all live stock, *but also the raw substances from such animals (ruminants)*; and at the same time the disinfection is enforced of all articles that might be considered as a means of conveyance of contagion from the cattle plague, and this prohibition will without doubt be immediately put in force against any other country where an outbreak of the cattle plague might occur.

From Germany, a restrictive prohibition is in force for horned cattle, sheep, and goats, but a few dispensations are granted. For example, to Schleswig and Holstein a sort of special position is allotted, inasmuch as upon written application importation from these places is generally granted when it can be proved that during the previous three weeks the animals have been domesticated in these duchies, and when on inspection immediately after arrival in the kingdom they are found to be in a sound and healthy condition; and when subsequently, under the due supervision of the veterinary police and without being allowed to come into contact with any other herds of hoofed animals, they are removed to their places of destination, where they shall be kept isolated for the space of three weeks from any such animals, and only set free after a renewed veterinary inspection.

From Great Britain, the prohibition also embraces that of swine; but here likewise are dispensations granted, from time to time, such as that the cattle may be immediately inspected on arrival and then placed under quarantine for periods of more or less duration, but never for less than one week.

From France, Belgium, and Holland the importation of ruminant animals is only allowed when on arrival they are placed under the supervision of the veterinary police, and kept isolated for the space of three weeks from all other animals, and when on renewed inspection they are found to be in good and healthy condition.

The foregoing stringent regulations for the proper conducting of the import and export of live stock from this country clearly indicate the resolve of the Danish authorities that all possible precautionary measures shall be taken so as to avert as far as lies in their power any interruption to this important branch of trade; but it is plainly felt that with a prohibitory importation into Great Britain from all other countries the maintenance of the present favored position of the British possessions in North America and the Scandinavian lands will in the long run be a matter of great difficulty.

The danger is not so much to be apprehended so long as the administration is in the hands of the liberal party, but with the taking over of the reins of government by a conservative ministry—the prospects of which are daily coming more into the foreground—it is feared that the demands of the protectionists will increase, and that the great supporters of the conservative party (the land owners and county magnates) would then soon let their voices be heard in the cry for a total prohibition of import of all live stock into this country.

It should not either be omitted to mention that whilst the Danish

shippers of live stock fully recognize the courtesy and fairness at all times shown by the inspectors at the different ports of disembarkation in Great Britain during the inspection of their cattle, they, with much show of justice, draw attention to certain irregularities which in their opinion call for redress. They state that, in conformity with the British regulations, their cattle have to be stalled for a certain number of hours previous to inspection, and that during such period they are placed under the care of attendants who may have been in contact with other cattle in the town or neighborhood, and that as the transmission time of foot-and-mouth disease can be less than twenty-four hours, a possibility thus arises that their cattle may become infected after disembarkation, and that the disease may manifest itself whilst the inspection is taking place. They candidly admit that such a misfortune could only occur from a chain of many unfortunate circumstances, but English inspectors are likewise willing to admit that they themselves have been surprised that such misadventure had never happened.

At any rate there would seem to be all reason for calling attention to this matter, and the seeking to obtain the introduction of greater measures of safety by forbidding all those who may be appointed to watch over the imported animals from coming into contact with English cattle.

HENRY B. RYDER,

Consul.

CONSULATE OF THE UNITED STATES,
Copenhagen, February 25, 1884.

NORWEGIAN CODFISHERIES.

REPORT BY VICE-CONSUL ISDAHL, JR., OF BERGEN.

I have the honor to hand herewith a report on the different codfisheries along our coast during the past winter. The season for the never-failing catch in the district of Lofoten begins the 16th of January and lasts to the 14th of April. During this period there is an official inspection established in the district, with head station at one of the principal fishing places.

The official statistics of this year's fishing in Lofoten, which have just been published, show the following returns: Seventeen millions of codfish, 15,070 barrels of liver (exclusive of the liver used for steam refining oil), 3,700 barrels steam-refined cod-liver oil, and 18,700 barrels fish-roe.

These figures are all larger than those of last year, when the catch yielded 16,000,000 of codfish, 12,250 barrels liver, 850 barrels steam-refined cod-liver oil, and 14,300 barrels of fish-roe. Of the 17,000,000 of codfish, 13,750,000 have been cured, and the rest will be dried into stock-fish. The quantity dried is larger than the average of the five last years. This is mainly due to the high price of stock-fish which ruled last year.

The large production of Newfoundland fish in 1883 had a great influence on prices and sales of salted Norwegian fish on the markets in Spain and Portugal, and the result of last year's business in this article was for most of our merchants engaged in this trade very discouraging. High prices have also this year been paid for the products in Lofoten, namely, \$6.50 per 100 fish (without heads and entrails), \$11 per barrel fish-roe, and \$8 per barrel liver. The gross value of the catch should,

at these prices, amount to about \$1,545,000, against about \$1,300,000 in 1883 and \$1,840,000 in 1882.

The gross average value of the catches in Lofoten for the years 1874-1883 was estimated at about \$1,500,000. Already in the middle of January the fish began to appear between the islands of Lofoten; unfavorable weather has, however, interfered with a first trial. Some days afterwards it was reported that the fish appeared all over the district, but the catch was small and continued to be so during January and most of February. In the beginning of the season the fish was judged to be of poor quality. In the month of March the net fishing was carried on with more success. For the lines the catch now turned out better, but did not prove to be steady, although the weather was more favorable than has been the case in previous years.

As stated above, the fish was judged to be of poor quality in the beginning of the season; afterwards it was reported that the fatness of the fish was better. In the first week of February nearly 700 fish were required for filling a barrel with livers; later on in the season it varied from 525 to 700, according to the different times and places. In 1883 from 700 to 900, and at the end of the season up to 1,500 fish were required for getting a barrel filled with livers. This shows that the fatness of the fish has greatly improved since last year, although it cannot yet be said that the fish has gained its ordinary fatness of former years. Most of the liver has this year been used for making steam-refined oil. Two and a half barrels of liver have in this season given one barrel of steam-refined oil. The prices of liver have varied from \$7 to \$11 per barrel. It is only the fattest and freshest and, in consequence, the dearest livers that are used for making steam-refined oil. Last year, when the liver of the fish in all catching districts was of an extreme poorness, from four to five barrels of liver were required to one barrel of steam-refined oil.

The inclosed Table A shows this year's production of steam-refined oil in the different fishing districts compared with the production in the preceding seven years. The figures of this table can be said to show the gross production. For the export they are somewhat reduced.

The oil contains, when coming from the factories in the fishing districts, a great deal of stearine. Our best-known manufacturers filter the oil at a very low temperature before exporting it. In this way from 15 to 20 per cent. of stearine can be extracted. Thus the quality of the oil can, for a great part, be said to depend on the quantity of stearine that it contains. A great many of the merchants engaged in this trade do not filter the oil at all before it is exported, but let the stearine in the oil simply melt by the natural heat. Such a product is, of course, very liable to congeal as soon as the oil is exposed to a low temperature.

The price of steam-refined oil was in the beginning of this season \$65 per barrel of 30 American gallons. During the run of the fishing the price has gradually been falling, owing to the rather great production, and is calculated at the present at \$40 per barrel, free on board.

According to the official statements 27,800 men have this year been engaged in the fishing in Lofoten, against 31,200 in 1883 and 27,500 in 1882. This season's decrease in the number of fishermen is, no doubt, due to the good catches that have taken place in the surrounding districts of Lofoten. The number of boats engaged in the fishing was greater in the beginning of March, when 6,900 were gathered in the district. In 1883 not less than 7,870 boats were employed, this being, however, the largest number ever known to have been gathered in Lofoten. The number that had come to buy fish was smaller than in pre-

vious years. On the 9th of March 485 vessels were stationed at the different fishing places of the district. In 1883 and 1882 the largest numbers are stated to have been, respectively, 583 and 666. The high prices that were paid for fish, as well as for liver and fish-roe, make the gross average earnings amount to 250 crowns for a net fisher, 225 for a long-line fisher, and 110 crowns for a drop-line fisher.

The neighboring districts of Lofoten are the so-called Outside of Lofoten, Vesteraalin Senjeu, and Helgeland. These are, together, known by the name of "Nordland." The returns of the catches in said districts are, according to the official statistics, 6,750,000 of fish, 12,650 barrels liver, 1,400 pounds steam-refined oil, and 9,330 pounds fish-roe. The fishing districts of Søndmor, Nordmor, and Romsdalen, situated on the coast south of the Trondhjærn "fjord," and north of Bergen, have given better results than in average years, and amount to about 8,750,000 of fish against 4,000,000 in 1883. The fish were not so fat in these districts as in those farther north, wherefore the production of steam-refined oil, amounting to 800 barrels, is rather small in proportion to the quantity of fish.

The last of the Norwegian fisheries to report on is the catch in the district of Finmarken. This catch, which last year and the year before were almost entire failures, has in this season yielded 13,000,000 of fish, of which 6,750,000 have been converted into stock-fish; 4,350 barrels steam-refined oil, and 20,900 barrels liver, in addition to what has been used for the production of steam-rendered oil. The codfish which yearly visit the coast of Finmarken do not yield any fish-roe when there, but follow, however, a small fish, the so-called "lodde," that approaches the coast to spawn. Immense masses of codfish appeared in this district even so early as the middle of February. Most of the fishermen were then at Lofoten, so that only the home fishers of Finmarken had the benefit of a great catch. When the fishers at last came from Lofoten, rough weather with snow storms hindered the fishing very much. Shortly afterwards the fish left from West Finmarken, and some weeks later also from the East Finmarken.

I beg to inclose a table (B) to show the results of this year's catches in the different districts, compared with those of previous years, since 1876.

J. C. ISDAHL, JR.,
Vice-Consul.

UNITED STATES CONSULATE.

Bergen, May 23, 1884.

A.—Table showing the production of steam-refined oil in the different districts of Norway, compared with the production in previous years since 1876.

[The quantities are given in barrels of 30 American gallons.]

Districts.	1884.	1883.	1882.	1881.	1880.	1879.	1878.
Lofoten.....	3,450	850	1,300	2,570	3,065	2,750	3,660
Nordland.....	1,400						
Romedal.....	80	20	40	450	950	500	650
Nordmor.....	600	50	60	800	1,800	980	830
Søndmor.....	800	100	600	2,200	4,500	2,700	1,200
Finmarken.....	4,350	300	2,100	4,100	3,400	3,080	3,220
Total.....	10,690	1,320	4,100	10,120	13,715	10,010	9,560

B.—Table showing the results of the Norwegian codfisheries in the different districts since 1876.

[Quantities given in millions of codfish.]

Districts.	1884.	1883.	1882.	1881.	1880.	1879.	1878.	1877.	1876.
Lofoten	17.	17.30	29.12	27.40	25.70	25.25	25.60	28.75	22.00
Nordland	6.75	4.25	5.25	5.00	3.50	5.00	3.00	4.50	2.48
Romsdal	0.90	0.20	0.70	0.93	1.50	0.85	0.90	0.88	0.50
Nordmor	4.75	1.75	4.00	1.75	3.50	2.00	2.50	4.00	2.75
Søndmor	3.00	2.25	2.50	3.00	5.80	4.90	2.90	4.50	2.00
Finmarken	13.00	2.00	5.30	11.00	23.00	17.75	11.00	16.00	5.25
Total	45.40	27.75	46.87	49.08	63.00	55.75	45.90	58.63	34.93

VENEZUELA.

REPORT BY CONSUL BIRD, OF LA GUAYRA, ON THE AREA, POPULATION, GOVERNMENT, INDUSTRIES, AND COMMERCE OF VENEZUELA.

Venezuela lies between the second and twelfth degrees of north latitude, and the fifty-eighth and seventy-fourth meridians of longitude west from Greenwich, and contains the following area and population, according to the census of 1881 :

	Population.
States :	
Guzman Blanco	494,002
Carabobo	159,851
Bermudez	257,867
Zamora	236,371
Lara	233,752
Los Angeles	293,108
Falcon-Zulia	187,051
Bolivar	54,422
Territories :	
Guajira	33,864
Alto Orinoco	1,230
Alto Amazonas	18,060
Colon	137
Yuruary	17,640
District :	
Federal	69,394
Colony :	
Guzman Blanco	1,496
Total	2,075,245
Population (census 1873)	1,725,178
Increase	350,067
Area 439,119 square miles.	

Area.—This vast territory, larger than Germany and France, and of about the area of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida combined, contains 4.06 inhabitants to the square mile and less than one-half of the population of the single State of New York.

Government.—The form of government is republican, modeled after that of Switzerland. The senators and representatives of the Federal Congress are elected by the people. This Congress selects from its body one senator and one representative from each State, and one representative from the Federal district (seventeen in all), who compose the Fed-

eral Council. This Council from its body, elects by ballot a president, whose term of office is for the period of two years.

Education.—The educational system established by the late president, General Guzman Blanco, furnishes the following statistics for the fiscal year ended June 30, 1883:

Description.	Number.	Pupils.
Common schools.....	1, 232	75, 275
Municipal schools.....	826	12, 606
Private schools.....	220	4, 780
	1, 778	92, 661

The expenses for common schools for the year amounted to the sum of \$362,288.79.

The subjoined comparative statements of the industrial resources of the country are extracted from the message of the president, delivered March 27, 1884:

INDUSTRIAL REVENUE.

	1872 to 1873.	1882 to 1883.
From agriculture.....	\$37, 327, 518 19	\$53, 265, 962 50
From stock-breeding.....	15, 371, 746 51	37, 173, 850 81
From fisheries.....	5, 066, 250 00	8, 802, 497 75
From mining.....	567, 436 42	4, 396, 225 55
From other industries.....	13, 027, 500 00	19, 759, 830 41
Total.....	71, 380, 451 12	123, 299, 367 02
Increase for decade.....	51, 918, 915 90	
Annual increase.....		12, 329, 936 70

Number of laborers employed in the different branches of industry.

Agriculture.....	378, 800
Stock breeding.....	220, 000
Fisheries.....	50, 009
Mining.....	10, 000
Other industries.....	150, 500
Total.....	806, 300

Average yearly earnings in each branch of industry.

Agriculture.....	\$141 67
Stock breeding.....	168 88
Fisheries.....	176 02
Mining.....	429 62
Other industries.....	131 24

Cultivated lands.

	Acres.
Lands cultivated in 1873.....	690, 414
Lands cultivated in 1883.....	843, 102
Increase during the decade.....	152, 688

Public debt.—The condition of the public debt, derived from the same source, is as follows:

Amount of foreign debt, June 30, 1882.....	\$13, 167, 521 50
Cancellations made.....	35, 724 40
Amount of debt, June 30, 1883.....	13, 131, 797 10

This debt bears 3 per cent. interest.

Amount of domestic debt, June 30, 1882 \$9,392,367 10
Increase 178,314 34

Cancelations made 9,570,681 44
662,889 96

Amount of debt June 30, 1883 8,907,791 48

This debt bears 5 per cent. interest.

Public revenue.—The receipts of public revenue for the fiscal year ended June 30, 1883, were derived from the following sources :

Duties on imports \$3,742,581 65
Duties on exports 1,045,017 90
Salt taxes 194,465 16
Territories 119,741 07
Telegraph 29,349 71
Postage 242,074 82
Rents of the university 88,120 23
Rents of colleges 19,353 40
Various sources 10,545 94
5,491,249 88
Receipts for 1881-'82 5,592,098 55

Expenditures.—The disbursements for the same period were as follows : 110 83 348 43

Departments:

Interior \$1,081,045 75
Fomento 259,697 43
Instruction 569,601 72
Public works 454,061 53
Finance 959,633 31
Public credit 769,839 64
War and marine 569,142 23
Exterior relations 166,052 34

4,829,076 95
Disbursements, 1881-'82 6,135,043 7

Excess of receipts over disbursements for year 1882-'83, \$662,172.93.

IMPORTS BY PORTS.

The commercial returns are summarized in the following exhibits:

Imports for the year ended June 30, 1883.

Ports.	Quantity.	Value.	Duties.
	<i>Pounds.</i>		
La Guayra	60,455,812	\$4,464,114 50	\$1,671,622 07
Puerto Cabello	40,985,497	2,489,871 04	968,671 24
Ciudad Bolívar	16,107,601	2,348,193 58	587,497 19
Maracaibo	10,674,501	40,797 80	344,942 84
Carupano	2,006,260	3911,647 13	109,449 00
La Vela	242,639	44,196 52	13,890 00
Puerto Sucre	372,153	20,780 72	10,625 28
Puerto Guzman Blanco	528,712	37,654 71	17,055 23
Güiria	671,378	66,617 81	10,043 67
Juan Griego	168,056	14,799 24	4,667 22
Táchira	842,100	140,719 39	54,119 19
1881-'82	133,060,909	10,859,272 39	3,742,581 65
	121,711,036	11,236,291 61	4,019,742 25

114 INDUSTRIES, COMMERCE, AND PEOPLE OF VENEZUELA.

Exports for the year ended June 30, 1883.

Articles.	Quantity.	Value.
	<i>Pounds.</i>	
Coffee	106,695,251	\$9,582,865 53
Cocoa	14,126,559	1,921,381 39
Hides	3,274,787	442,077 69
Skins	2,194,463	700,683 22
Cotton	807,854	72,199 37
Starch	489,589	15,984 67
Indigo	39,724	25,391 85
Sugar	55,535	8,392 60
Tobacco	1,838,375	65,449 78
Tonqua bean	105,496	66,962 31
Cinchona	628,014	74,040 98
Caoutchouc	67,578	32,562 57
Dividivi	10,884,951	129,479 07
Raw sugar	1,426,581	43,686 64
Cocoa nuts	1,745,273	18,465 04
Copper ore	35,622,967	393,285 94
Gold (ore and bar)	14,880	2,456,816 22
Coin	3,796	867,859 16
Plants	41,815	2,785 39
Woods	36,984,776	151,696 05
Animals	82,434	306,713 67
Miscellaneous	6,714,611	169,798 41
	222,838,799	17,042,897 55
1881-'82	151,718,928	13,553,722 03

Excess of exports over imports for the year 1882-'83, \$6,183,625.16.

Imports at La Guayra for the year ended June 30, 1883.

From—	Quantity.	Value.	Duties.
	<i>Pounds.</i>		
Germany	9,588,463	\$908,402 03	\$313,339 17
France	6,122,157	872,210 31	336,872 77
United States	27,154,244	1,205,809 15	508,986 31
England	14,503,802	1,173,780 54	581,055 15
Other countries	3,089,146	303,912 47	75,614 89
	60,455,812	4,464,114 50	1,815,868 29
Add 30 per cent. on imports from West Indies			2,174 73
			1,818,043 02
Deduct duties remitted			146,420 95
			1,671,622 07
1881-'82	51,008,972	4,481,969 24	1,725,898 96

Exports from La Guayra for the year ended June 30, 1883.

To—	Quantity.	Value.
	<i>Pounds.</i>	
Germany	11,684,427	\$1,248,810 74
France	14,253,392	1,489,057 72
United States	8,217,686	*980,825 18
England	4,996,288	471,495 72
Other countries	572,313	58,549 64
	39,674,106	3,248,739 00
1881-'82	33,244,297	3,743,901 81

* The exhibit for the United States is compiled from the record of this consulate.

Vessels entered and cleared for the year ended December 31, 1883.

Flag.	From—	Steamers.		Sailing-vessels.		Total.	
		Num-ber.	Tons.	Num-ber.	Tons.	Num-ber.	Tons.
Danish	England			8	2,392	8	2,392
Norwegian	Norway			2	1,424	2	1,424
Russian	Russia			1	230	1	230
Dutch	Holland			2	200	2	200
United States	New York	24	31,279	14	2,441	38	33,720
German	Hamburg	48	65,802	10	2,958	58	68,760
French	Havre	52	91,961	9	2,516	61	94,477
English	Liverpool	58	75,250	12	4,200	70	79,450
Spanish	Barcelona	22	27,425	5	1,527	27	28,952
Italian	Genoa			2	320	2	320
Total		204	291,717	54	14,162	258	305,879

Exports from La Guayra by articles for the year ended December 31, 1883.

Articles.	To Europe.		To United States.	
	Pounds.	Value.	Pounds.	Value.
Coffee	18,966,192	\$1,722,537 35	7,151,420	\$778,811 54
Cocoa	7,295,835	930,582 31	290,855	50,011 51
Hides	195,687	23,159 03	497,812	81,775 27
Skins	5,442	1,677 36	291,758	98,467 37
Sundries	633,122	67,647 09	343,767	18,764 81
Total	27,096,178	2,745,603 14	8,575,612	1,027,820 50

VENEZUELAN ENTERPRISES.

The latitude usually allowed to consular officers in making returns and submitting reports is availed of to embody herewith some information in reference to a few of the enterprises of the country as well as some isolated facts that may prove of interest.

Mines and minerals.—The mineral wealth of Venezuela, though not yet developed, is attracting much attention from abroad, and many enterprises are on foot or in process of organization to explore her territories and discover her hidden treasures. The rich auriferous deposits of the territory of Yuruary, 100 miles southwest of the mouth of the Orinoco River, are especial objects of interest, and the prosecution of mining in that section seems to be attended with good results. The company "El Callao," organized in 1871, though not fully equipped for work until 1875, has since that date to January 1, 1883, taken out over \$9,000,000, and has distributed dividends to its shareholders amounting to the sum of \$2,771,500.

Aroa, in the State of Lara, about 75 miles west of Puerto Cabello, is the site of rich deposits of copper ore. An English company has constructed a narrow-gauge railroad from the port of Tucacas to this point, and is mining and exporting the ore to Swansea, England. The exportations for the years 1880, 1881, and 1882 amounted to 44,596 tons, of the value of \$1,700,000, and the exportations for the first six months of 1883 amounted to 13,738 tons, of the value of \$625,000.

Phosphates are being mined in the neighboring islands of Orchilla and Aves, and exported thence to Baltimore and Philadelphia.

Telegraphs.—The telegraphic system of the country is fairly well or-

ganized, quite extensive, and affords satisfactory service. The main line runs from the eastern part of Venezuela through the city of Caracas to the borders of Colombia, where it is connected by wire with the city of Bogota, the capital of Colombia. The eastern end of the line is being rapidly extended to the port of Guiria, on the Gulf of Paria, from which point it will be connected by a short submarine cable with the island of Trinidad, and thence with the United States and Europe through cables already laid. The entire telegraphic system is owned and directed by the Government, but is at all hours open to public service. Messages are transmitted to all points at the uniform rate of one cent per word.

Gas and telephone.—Under the intelligent and energetic direction of Mr. J. A. Derrom, of Paterson, N. J., the cities of Caracas and La Guayra enjoy all the advantages of the telephone, and during the present month some enterprising citizens of New York will distribute gas-light to the city of Caracas. Measures are being taken to extend the telephonic system to all the principal cities of Venezuela.

Newspapers.—The first newspaper of the country was established in Caracas in the year 1811 by two citizens of the United States. The political, scientific, and literary press of the country now comprises about seventy periodicals.

THE CARACAS-LAGUAYRA RAILROAD.

Caracas, the capital city of Venezuela, situated 10 miles from the coast, and 3,000 feet above the sea level, is the chief point of attraction for all foreigners visiting the country. The mean annual temperature of the city is $71^{\circ}.24$ Fahr., the warmest periods of the year being the middle of April and the end of August, at which dates the sun is in the zenith. The greatest extremes of temperature noted since the year 1868 are $83^{\circ}.38$ and $48^{\circ}.02$ Fahr. A change from the warm climate of La Guayra to that of Caracas, distant only 10 miles, is at all seasons similar to a change from New Orleans to Saratoga. The rainy season extends from May to October, and the annual rain-fall is nearly 39 inches.

In concluding this desultory report some mention should be made of the railway completed June 27, 1883, between La Guayra and Caracas, a map of which is hereto appended. It should also be observed that this enterprise, insignificant in proportion as it may appear to the people of the United States, is of much importance as a factor in the industrial progress of this comparatively undeveloped country, it being the only railroad in Venezuela, with the exception of the unimportant line from Tucacas to the copper mines of Aroa. This railway, 23.6 miles in length, is of 3 feet gauge, laid with steel rails weighing 50 pounds to the yard, and with cross-ties of vera, a wood similar to *lignum vitæ*. It has a maximum grade of $3\frac{1}{4}$ per cent., which is continuous from La Guayra to a point 17 miles distant, with the exception of three short horizontal sections at water stations. It has a minimum curve of 140 feet radius. Indeed, the entire road is a succession of curves and reverse curves, through colossal excavations and over stupendous precipices. The total excavation to grade the road-bed amounts to 1,650,000 cubic yards, or nearly 40 cubic yards of excavation to each linear yard, two-thirds of which is through rock, and of which a great part was removed by dynamite. There are three viaducts and eight tunnels in the line of the railway, four of the latter being excavated through solid stone, from one of which the track debouches upon a

rocky shelf at a sheer perpendicular of 1,600 feet above the gorge of Boqueron. The cost of this railway, equipped with six locomotives, fifteen passenger and sixty freight cars, amounts to the sum of \$2,000,000, nearly all of which has been contributed by English capitalists. It has been built under the supervision of General William A. Pile, formerly minister of the United States to Venezuela.

From an industrial point of view, the completion of this road is the inception of a new era in the history of Venezuela. The people, accustomed to the primitive methods of transportation, are now awakened to the fact that the old system of pack-mules and dump-carts must be abandoned, and that the vast riches of the interior must have these iron avenues for their convenient and expeditious transportation to the seaboard. And once that a railway southward from Caracas has pierced the mountain ranges that border the northern boundaries of Venezuela, beautiful valleys and broad plains, watered by the Orinoco and its tributaries, and teeming with exhaustless agricultural wealth, will pour their treasures into the lap of commerce. The peace of the country, happily undisturbed for several years past, is still assured; and the recent inauguration of a new administration under General Joaquin Crespo has been effected under such favorable auspices that the thought of reaction and revolution has been eliminated from the popular mind; so that it may now be fairly presumed that the day for the deliverance of Venezuela from inaction and isolation draws nigh, and that, like Mexico, with peace firmly established and constitutional government permanently secured, she may, in the near future, confidently hope for foreign aid in the development of her vast internal resources. The country now needs, and in every sense is worthy of an active and intelligent immigration. There is nothing wrong with the country, the climate, or the soil; and if its political and economical conditions shall be now permanently settled, the intelligent and thrifty masses of Europe will find here a congenial retreat.

WINFIELD S. BIRD,
Consul.

UNITED STATES CONSULATE,
La Guayra, May 1, 1884.

BESSEMER STEEL AND MANUFACTURES THEREFROM.

REPORT BY CONSUL WEBSTER, OF SHEFFIELD, ENGLAND.

A commonly received opinion of Bessemer steel has been that it is a material of great toughness, containing a small per cent. of carbon, and being "only one remove from iron." Striking illustrations of its ductility are shown, as, for instance, a round bar 2 inches in diameter tied while cold, in a knot, with no break of the fiber.

A well-known English house sent to the Russian Exhibition some years ago a Bessemer railway axle tied in a knot; that axle was afterwards presented to the United States Government, and is now to be seen in the National Museum at Washington.

Until recently Bessemer steel has been thought to be quite unfitted for very many uses for which cast crucible steel was formerly exclusively employed, especially the making of cutting instruments. But this steel has been much modified and improved in its manufacture. It is certainly now much more than "one remove from iron," and it is employed

for a great number of purposes for which crucible steel was formerly thought to be indispensable.

On account of its greater cheapness, the sharp competition in trade, and the modifications which adapt it to a greater variety of uses, Bessemer—and it should be added its modifications, such as the Siemens-Martin and the Davy, together with the Thomas-Gilchrist and other varieties—may almost be said to be superseding crucible steel and crowding it out of the market. This, of course, cannot be done entirely; yet it is admitted by our best steel makers that it is nearly impossible for the most experienced to decide by the fracture whether a given sample of steel is Bessemer or crucible. It is also an open secret that thousands of tons of Bessemer are sold annually as “cast” steel for the home as well as foreign markets.

One of Sheffield's best makers, whose steel bears a good name in the United States, says he has recently charged his manager to be careful henceforth to label all his steel, so as to distinguish between Bessemer cast steel and crucible cast steel, he applying the word “cast” to both of them. This indicates how commonly Bessemer has come to be called cast steel. It is, in a sense, cast steel, since it is run into molds; and yet, as is well known, the term as thus applied is deceptive, cast steel being understood to be crucible steel.

It is also common to invoice steel as sold for such and such purposes without describing it as Bessemer or crucible or as belonging to either of the other varieties. The manufacturer above mentioned intends that his customers shall not think they are buying crucible steel when they are really receiving Bessemer. On the other hand, a steel manufacturer who does not make Bessemer is said to have “boasted”—that was the word used—that he had bought steel for \$50 per ton and sold it for \$250. The buyer who paid the latter price must have supposed he was buying crucible steel, since that is approximately the price for which respectable firms sell their “best cast steel” for wood-working tools, axes, hatchets, and other kindred purposes.

The large quantity of Bessemer steel sold in the Sheffield district is not all made here. About 10,000 tons were imported last year from Sweden. The quantity is annually increasing. The Swedish Bessemer is made of a better quality of iron than the English, is said to contain a larger per cent. of carbon and less impurity. Wood is used in the melting instead of coal, and the melted iron is run directly from the blast furnace to the converter, thus saving the remelting of the pig. The Swedish Bessemer, from its superior quality, bears a higher price than the English. There are many different brands, the price ranging from \$50 to \$100 per ton. English Bessemer sells for \$20 to \$30 per ton.

The sale in Sheffield of each of these brands of Swedish Bessemer is under the exclusive control of some one individual or firm. The right is purchased from a London agent of the Swedish owners.

There are but few makers of Bessemer steel in this district, there being but eighteen converters in operation at the close of 1883, as against twenty-six in 1882. But Bessemer, both the English and Swedish, is kept and sold by nearly all steel manufacturers to supply the large and increasing demand. The Swedish comes to this country in the ingot, each ingot bearing the brand of the Swedish maker. These ingots are here reduced under the hammer to blooms and bars of sizes to suit the customer, and these are again stamped with the original Swedish brand.

There are “special Bessemer” steels, both Swedish and English,

varying in temper, proportion of carbon, and quality of iron, to adapt them to specific purposes.

It was formerly believed that Bessemer steel was entirely unsuited to the making of cutting implements, and that no tool could be made of it that would bear an edge. This belief has not passed away, although it seems to be somewhat modified. It is still true that our best Sheffield manufacturers would not risk their reputation by using any but the best crucible steel for their highest grades of cutlery, edge-tools, and razors. That Bessemer is largely used in Sheffield for grades below the highest is well known.

With the modifications that have taken place in its manufacture, it is no doubt true that some qualities of Bessemer, especially the Swedish, are superior to some grades of crucible steel for many purposes for which crucible steel was once thought necessary. It is certain that at the present time great quantities of table and pocket cutlery, edge tools, scissors, files, augers, and even razors, besides other articles, are made of Bessemer steel. It is also sold largely as spring steel. Railway wagon springs are extensively, not to say exclusively, made of it. Bessemer spring steel from Sheffield is delivered in Glasgow at \$40 per ton.

The great opposition to Bessemer and his steel in the early days of his invention was due to the usual prejudice and unwillingness to give a new thing a fair trial. The method by which Bessemer met this difficulty is interesting. He sent a few hundred weights of his steel, in bars of sizes commonly used by manufacturing engineers, to a large firm of engine builders. The steel was put into the hands of skilled workmen for first class work. They used it for two months without a suspicion that it was not the same steel they had been accustomed to use, costing, say, \$300 per ton.

Henry Bessemer, now Sir Henry, still lives to enjoy his honors and great wealth, the fruits of his perseverance.

The amount of Bessemer produced in the United Kingdom during the year 1878 was 807,527 tons. In 1883 the production amounted to 1,553,330 tons, which was 120,269 tons less than the amount produced in 1882.

Of the total amount for the year 1883, the Sheffield district produced 285,769 tons, as against 420,000 tons in the year 1882, a falling off of 134,237 tons. This large decrease is doubtless owing to the removal from this district of the extensive works of Messrs. Wilson, Cammell & Co., to Workington, on the sea-coast of Cumberland. These works now belong to Charles Cammell & Co. In their new location they save the heavy expense of land transportation. This removal will also explain in part the large decrease in the production of Bessemer steel rails in this district, amounting to 167,335 tons in the year 1883 as compared with 1882. The very great cost of transport by rail must operate to the serious disadvantage of inland towns like Sheffield, that depend upon the heavy iron and steel industries.

A great revolution has been made in prices by the Bessemer and other inventions. In these days of depression in trade and of keen competition there is a pressing demand for cheaper material. This is met by the Bessemer process and its modifications, and by other new methods by which steel is produced not only much cheaper but better for many purposes than crucible cast steel.

One of the latest of these modifications of the Bessemer process is that of Mr. Alfred Davy, of Sheffield; that is likely to prove to be of great value. Mr. Davy claims that his apparatus will enable every iron-founder

to produce large or small quantities of steel for castings or other purposes at about the cost of cast-iron, and of a quality superior to most crucible steel used for castings. It is claimed also that steel may be produced by this apparatus of any temper or quality, except, perhaps, the highest class of tool-steel, in large or small ingots, at \$20 or \$22 per ton. The cost of the apparatus is small as compared with the Bessemer plant, and its working is so simple that it can be managed by any ordinarily intelligent workman.

Three plants for the manufacture of steel by this method are already ordered for the United States; and, in Sheffield, no less than 24 sets of plants are being removed to make way for Mr. Davy's apparatus.

SHEFFIELD RUBBISH.

But with all the modern improvements it is not too much to say that so great is the strife for business that methods are resorted to that are calculated to injure seriously the high reputation of Sheffield's great staple. The following extract will confirm this statement; it is taken from a letter in *The Engineer*, written by Mr. R. F. Mushet, whose name is well known to all who are interested in the steel business. He writes of Mr. Davy's process as follows:

I think his arrangement, or a similar one, is much needed in Sheffield, where alloys of Scotch pig-iron and scrap are made into castings by certain enterprising parties and vended as crucible steel castings, with a tensile strength of only about 8 tons per square inch, and very far inferior for standing wear and tear and in strength to good honest anthracite pig-iron. The buyers, however, of these crucible steel-castings have only their own insatiable craving for the cheap and nasty to thank for their silly credulity and its consequences.

There was a time when the cutlery company were very jealous of the high repute in which Sheffield goods were held. By process of law they took possession of and publicly destroyed in Pot (now Paradise) square any cutlery that was found to be made of material inferior to what it professed to be. It is said the company would have much work to do should it exercise a similar vigilance at the present time.

What must be thought of a pocket-knife that can be sold at a profit at \$3.50 a gross, or less than 2½ cents apiece; or of a good-looking razor, with horn handle and etched blade, at 75 cents a dozen?

What can be expected of the quality of the steel, if it be steel, of which these articles are made? And what of the quality of the labor that is put upon them? There is an expressive word much used in Sheffield that is applicable—"rubbish."

With all the patent processes of the present day, it has come to be very difficult to know with much certainty what it is that one buys under the name of steel. Many of the changes in the modes of manufacture are no doubt improvements.

The extent and complexity of the steel industry make the whole subject a study very difficult and interesting, upon which years may be spent.

We must conclude that the chief reliance of the purchaser of steel, as of many other things, must now rest upon the well-known character and standing of firms and individuals who have good names to preserve, and who value it more highly than any mere temporary advantage that is to be gained by questionable methods that lower the quality of their manufactures.

C. B. WEBSTER,
Consul.

CONSULATE OF THE UNITED STATES,
Sheffield, May 7, 1884.

THE JUTE INDUSTRY IN GERMANY.

REPORT BY CONSUL-GENERAL VOGELER.

There is a branch of the textile industry which employs, as its raw material, that which in Germany is commonly called "jute" or "Calcutta hemp," in France "Chanvre de Calcutta," in England and the United States "Indian grass," or "gunny fiber." This branch of industry is at present receiving considerable attention in Germany, and, inasmuch as the United States are much interested in the subject, I deem it proper to give such facts with reference to the manufacture and consumption of jute products in Germany as I have been able to collect.

The jute plant, *Corchorus olitorius*, the fiber of which is the raw material referred to, is indigenous to India. The principal requisite for the cultivation of the plant is a moist, warm climate; given such a climate it will thrive almost equally well in the lowlands and on the plateaus. It is sown, according to the situation of the country, in the months of February to April, sometimes as late as May and June. The ground must be well tilled and manured. The amount of seed required is 20 to 30 pounds per acre. Cutting commences twelve to fifteen weeks after sowing. The plant reaches a height of 10 to 12 feet. The average yield of fiber is 2,000 pounds per acre. The cutting takes place when the plants blossom, because at that time the fiber is smooth and shiny, and the stem of the plant most pliable. In order to separate the fibers from the stem the plant is then water-retted. Flowing water is preferable because it bleaches the fiber, making it almost perfectly white, but the process of separation is quicker in standing water. Here only ten days of immersion are required, but the fiber frequently loses in strength and uniformity of color. The fiber is from $4\frac{1}{2}$ to $7\frac{1}{2}$ feet long. No part of the plant is worthless; the leaves are fed to the cattle; the stems are used for making baskets and brooms, or are burnt or turned into manure; the seed is converted into oil and oil-cakes, the lower end, into paper, and the shining skin, which comes off easily, is used for the manufacture of hats.

The spinning properties of the plant have been known to the Hindoos for many centuries. They worked up a great part of their growth at home, making of the better article threads or yarn for carpets, curtains, tents, twine, and rope, and of the inferior coarse bags, "tat" or "choti," whence the name "jute." By far the greater part of the jute production was formerly used as bags for rice and sugar, and formed, as "gunny bagging" or "gunny cloth," an important export article. To-day jute is one of the leading export articles of India. It is exceeded in importance only by cotton, opium, and rice. The jute industry of India has developed rapidly. One spinning and weaving establishment at Barnaypoor, near Calcutta, alone employs more than 4,500 workmen, and consumes more than 30,000,000 of pounds of fiber. The export from Calcutta, the leading staple-point, now amounts to 8,000,000 hundred-weight per year. About one-tenth of this amount is imported into Germany.

The process employed to manufacture the different jute products is similar to that employed in the manufacture of linen or cotton goods, but productive of less dust, and hence less detrimental to the health of the workmen. The bleaching process of jute has not yet reached that

point of perfection at which it may be performed without lessening the strength of the fabric. The number of fabrics is already very great; it comprises packing material, sacks, canvass, ropes, carpets, table-covers, belts, wicks, &c. The latest fabric is a material called "jute-velvet." This fabric, which by reason of its beautiful appearance, is singularly adapted for furniture-cloth, curtains, and wall-covering, is very rapidly coming into popular favor. The body of the velvet consists of cotton, and the pile is made of jute. This pile is produced like other velvet piles and by a very simple process designs can be pressed into it, according to the nature of the use for which it is intended. This jute-velvet is very durable, and not liable to be injured by moths.

The first attempts to utilize the jute fiber in Europe were made in England in 1834 and 1835, but it was not until, in consequence of the Crimean war in 1854, the English and Scotch mills were deprived of Russian flax and hemp that the jute fiber became really important. The leading manufacturing point of Great Britain is Dundee, which has more than 100 jute factories, employing about 25,000 workmen and consuming more than 250,000,000 of pounds of jute.

In Germany the jute industry is about sixteen years old. The first factory was established at Vechelde, near Brunswick, in the year 1868; since then others have sprung up in Hanover, Oldenburg, Barmen, Gera, Meissen, Potsdam, and lately in Berlin. It is estimated that at present this industry is represented in Germany by about 50,000 spindles and 4,000 looms.

It is claimed that the products of these German jute factories are in no way inferior to those of Scotland. The production of German jute mills last year amounted to about 70,000,000 pounds, which is estimated to have supplied about three-fifths of the home demand, which accordingly would be about 120,000,000 pounds. The import lists of the German Empire do not separate the flax and jute yarn, hence it is impossible to give the gradual decrease of jute imports into Germany which has undoubtedly taken place.

The English export lists show a decrease of exports of jute yarns into Germany of nearly 50 per cent., as follows: In 1882, 4,470,100 pounds, of the value of £55,950; in 1883, 2,247,800 pounds, of the value of £28,215. There are eight new large jute factories now in process of construction, which, if in operation, will heighten the productive power of Germany sufficiently to satisfy the home demand. Unless, therefore, there should be an abnormal increase of the home demand for jute products it is quite possible that this branch of industry will outgrow the home demand, and that jute yarns and fabrics, instead of figuring on the import lists of Germany, will be exported to other countries.

I learn that Mr. T. Albert Smith, of Saint Louis, Mo., has constructed a machine which greatly simplifies and cheapens the setting process of the jute plant, and that generally much attention is being given in the United States to the industry here discussed. It is not impossible that the planters of the Southern States may find the cultivation of jute safer and more remunerative than the raising of cotton.

FERDINAND VOGELER,

Consul-General.

UNITED STATES CONSULATE-GENERAL,

Frankfort-on-the-Main, May 1, 1884.

ATTAR OF ROSES.

REPORT BY CONSUL-GENERAL HEAP ON THE PREPARATION AND MANUFACTURE OF ATTAR OF ROSES.

Several inquiries having been made at this consulate regarding the cultivation of the rose from which the attar is distilled with a view to introducing its culture into the United States, I have the honor to inclose a report on the subject prepared from data furnished by Messrs. Ihmsen & Co., the largest exporters of attar of roses in Turkey.

Attar of roses is produced on a large scale in the province of Roumelia, on the southern slopes of the Balkans, the soil of which is composed principally of micaceous and argillaceous schists, and it is only the attar of these districts that is of any moment to the commercial world. Small quantities are produced in India and Persia, but they are used for home-consumption, and the same is the case with the attar of roses produced in the south of France from the *rosa provinciales*, which, although of quite a good quality, forms only a very small part of the consumption of these producing places. The attar of Tunis is of the best quality, but the quantity produced is comparatively small and the price high. Very little is exported.

The attar produced in Roumelia is made by distillation from the *rosa damascina*, whose color is, as a rule, a bright red; it is sometimes, but rarely, white; it is not very full as a flower, and blooms in May and June. The rose trees when full grown reach a height of about 6 feet, and are planted in rows. They have to be tended very carefully from the autumn to the time of gathering. The flowers when in full bloom are plucked before sunrise, sometimes with sometimes without the calyx, but only in such quantities as can be distilled on the day they are plucked. The distilling apparatus consists of a plain tinned still, from which a long curved tube is directed through a tub filled with fresh water and empties into a big bottle; several such apparatus are usually standing on rough stone hearths by the side of each other, and, if possible, close to a brook in the shade of trees. The firing is done with wood, which formerly, under Turkish rule, every peasant was allowed to fell without having to pay for it, but which has now to be paid for, and as large quantities are required for the distillation the producing-cost of the attar is considerably enhanced.

According to the size of the apparatus, the still may hold 25 to 50 pounds of roses, on which about double that quantity of water is poured, and it is boiled briskly for about half an hour. The distilled liquid is collected in the bottle that stands at the mouth of the cooling tube, and the attar of roses, which separates from the water, appears on the surface, where it is skimmed either by means of a thin tin tube or a spoon. The distilled water is again used for distillation, and constitutes ultimately the rose-water which enters into trade, chiefly at Constantinople, where it brings comparatively high prices, as it is largely employed in Oriental cooking and confectionery.

After a sufficient quantity of attar is produced it has to be totally freed from the water, and is kept in copper cans, tinned both on the inside and the outside, which are manufactured at Kyzanlik and in the neighborhood.

The rose trees attain their maximum producing capacity in their fourth year; say from 500 to 800 pounds per deuneum (one deuneum.

equals one-fifth of an acre). They are very sensible to cold and are easily frozen; fogs and rains are also very fatal to the blossoms. But the yield depends most of all upon the weather during the time of distillation; the latter lasts sometimes ten days only when the weather is warm and the sky clear, whereas it may require as much as one month's time and even more if the sky is cloudy, especially if rain falls at intervals. In the first case the yield is almost always unfavorable, as the roses are blooming all at the same time, and as there is no time to gather and work them all, the odor of the flower soon vanishes and the yield of attar is much less in consequence, so that to produce one miskal (about $3\frac{1}{2}$ pennyweights) from 55 to 85 pounds of rose-leaves are required, which is equal to 5,000 to 7,000 pounds of leaves to give one pound of attar.

When the weather is favorable and the buds bloom gradually 28 to 33 pounds of rose-leaves will yield $3\frac{1}{2}$ pennyweights of attar, or 2,500 to 3,000 pounds of leaves will give one pound of attar. Pure attar of roses when distilled with due care is at first colorless, but soon takes a yellowish color.

No certain method is known to detect falsifications of attar of roses. Admixtures of alcohol for the purpose of increasing the freezing capacity, or admixtures of spermaceti, neither of which, at least in the wholesale trade, are now resorted to, are, of course, easily detected. But the most important falsifying medium is oil of geranium, which some dealers order even at Constantinople to be sent to Kyzanlik, to be distilled over again with rose-leaves and to be mixed with attar of roses. Moderate additions of this oil defy detection.

The surest and most reliable method of testing the attar is by the smell, and it is after all the only right one, but it requires much training, and it can only be acquired by many years practice.

It is still a wide-spread belief, although an erroneous one, that the quality of the attar of roses corresponds exactly with the degree of its freezing capacity. Such a presumption is absolutely false and the best proof of this is the fact that the "stearopten," which is the freezing agent of the attar, is devoid of any smell whatever, and has therefore no bearing at all on the flavor or the purity of the attar.

A certain freezing capacity is, it is true, one of the claims which one may lay on really good attar of roses, but this only because the admixture of other essential oils has the effect of lowering the freezing point.

The attar of roses sets at 52° to 63° Fahr., according to the quantity of stearopten contained in it; it sometimes, but exceptionally, congeals at a higher temperature; it then shows feathery, transparent crystals, filling all the liquid; its specific weight is 0.87 at 66° Fahr.

Attar made in the higher situated villages is, as a rule, considered of greater freezing capacity and of more intense but harsher flavor, whereas the produce from the plain shows a lower freezing point and is possessed of a sweeter and finer flavor; it is therefore preferable in the latter respect to the attar produced at a greater elevation.

The various properties of this essence have to be combined to obtain a really fine quality and to satisfy all the claims laid on it, and the manipulations for the attainment of this end require great experience and a thorough knowledge of the article, the more so when it is necessary to combine large quantities of attar.

Every peasant distills, as a rule, the attar from the roses grown on his own fields, which permits him to make the produce at the least possible expense; but there are distillers who do not possess rose-fields of their own, and who, at the time the roses are in bloom, and some-

times before, buy roses for delivery and distill them, by which process, and owing to the high prices paid for roses and wages, the cost of the attar is, of course, greater than in the first case. These distillers, therefore, resort to falsifications with oil of geranium, which, specially prepared, is sprinkled on the rose leaves previous to the distillation, and is thus amalgamated with the attar.

A middling crop amounts to about 300,000 miskals, or about 3,000 pounds; but there have been crops of only about 1,500 pounds in 1872, and, on the other hand, of as much as 6,000 pounds in 1873.

The prices vary, and are regulated by the yield and by the demand from abroad, as the export only is taken into account, the home consumption being comparatively trifling, bearing, as a rule, on heavily-adulterated essences.

It must be remembered, further, that the producing expenses have materially increased since the last war, owing partly to the rise of wages, in consequence of the emigration of the Turks during and after the war, and partly also to the fact that what wood is required has now to be paid for, all of which has its influence on the price of the attar, especially as the average of the last five crops is only about the same as that of the preceding five years, whereas the consumption of attar of roses abroad is greatly increasing.

It is, therefore, not surprising to find the prices of the last years higher than previously, and they are subject to smaller fluctuations than formerly.

Attar of roses can, of course, be supplied at any price if the purity of the essence is no object, and there are oils in the trade which contain only about 10 per cent. of attar of roses and yet find buyers, and the latter sometimes believe they have made a good bargain when they have been able to buy such oil at 20 to 30 per cent. below the quotation for oil of pure quality. But it has been ascertained that on the whole there are fewer buyers now for falsified cheap oils than formerly, and that the consumption is by far greater in really pure goods, which, despite their apparently higher price, deserve preference in every respect.

The productive statistics of the last twelve years are as follows:

Year.	Quantities (approximate).	Value.
	<i>Pounds.</i>	
1872-'73	1,500	\$175,000
1873-'74	6,000	500,000
1874-'75	3,500	300,000
1875-'76	4,000	375,000
1876-'77	4,000	375,000
1877-'78	8,500	375,000
1878-'79	3,000	350,000
1879-'80	2,400	250,000
1880-'81	3,400	350,000
1881-'82	4,000	415,000
1882-'83	2,100	225,000
1883-'84	4,600	625,000

The principal producing districts are Chirparo, Giespu, Karadgah-dagh, Koyum-Tépé, Eski-Zaghra, Yeni-Zaghra, Bazardshik, and Philippopoli, with more than one hundred and fifty smaller places, but the trade is concentrated at Kysauléh, from whence the attar of roses is conveyed by carts to the Eastern Roumelian Railway and sent to Constantinople, the depot of the export trade.

The district of Travina is the only place north of the Balkans that produces attar of roses.

None but the aforesaid districts are, owing to the peculiarly favorable condition of soil and climate, fit for the cultivation of roses for attar making; hence the attempts which have repeatedly been made to introduce this industry in other parts have never had any success, not even in the other parts of Eastern Roumelia, nor on the Asiatic side at Broussa, notwithstanding the fact that experienced people, such as Turkish refugees from the neighborhood of Kysauléh, and who were themselves attar producers at that place, have set themselves to work with zeal and earnestness.

G. H. HEAP,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Constantinople, June 2, 1884.

CULINARY EXHIBITION IN VIENNA.

REPORT BY CONSUL-GENERAL WEAVER.

The success attending the culinary exhibition, which was held in this city from the 5th to the 9th instant, was so gratifying and remarkable that a brief notice may be of sufficient interest to warrant its transmission.

The exhibition was conceived by a number of the leading restaurateurs of Vienna, who succeeded in awakening a general interest in their project, not only among those pecuniarily interested, such as tradespeople and merchants, who might profit by the occasion to exhibit and advertise their wares, and the directors of hotels, restaurants, and other public and even private establishments who were ambitious to place before the public their handiwork and enter into a competitive trial of skill, but all classes from the first caught the spell, and made the effort a success.

The exhibition was opened on the 5th instant in the capacious rooms of the Horticultural Hall, with a charge of 2 florins per entry for the first day. The exhibits comprised not only fancy enterprises conceived and executed in the most artistic and marvelous manner, composed of flesh, fish, vegetables, and fruits of every description, but the whole realm of cookery and edibles was exhausted to produce a most wonderful display of good things tempting, as well to the ordinary as to the most epicurean palate. But the exhibition was not confined to cooked articles, but all allied industries were represented, particularly wines, liquors, glass and porcelain services, table linen, &c.; in fact every article that enters into the science and art of catering not only to man's ordinary but also his æsthetical tastes. As the proceeds of the exhibition were to be devoted to charitable purposes, booths for the sale of various articles of food, wine, liquors, &c., were erected and bountifully patronized. On Monday and Tuesday, however, the entrance price was reduced to 40 kreuzers, when applications for admission became so numerous that it was found impossible to gratify all, as it was frequently found necessary to close the doors to prevent accidents by overcrowding. It is said that about 30,000 persons visited the exhibition on these two days. As, however, all could not be gratified in the first four days, as originally arranged, the time was prolonged one

day, Wednesday, with the admission fee of 1 florin, although serious doubts were entertained as to whether the delicately prepared dishes and other raw articles of game, meat, &c., would warrant such a prolonged exhibition, especially as the weather had set in very open and warm. Yet the result was satisfactory, and the inconvenience not great, although certain articles had to be removed and replaced by fresh ones during the night.

The exhibition attracted all classes of society, from the imperial household, every prominent member of which was present, down through the nobility and aristocracy of the city to the middle and lower classes of society, so that the undertaking may be pronounced one of the most successful of all the numerous public exhibitions held in this city during the present or past year.

Juries were appointed and certain prizes awarded to successful competitors, but it was regretted that no practical instruction in the art of cooking had been arranged for and given publicly at the exhibition, which would have added a utilitarian element to the exhibition which would have been very popular and interesting.

JAS. RILEY WEAVER,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Vienna, January 10, 1884.

SILK CULTURE IN ITALY.

REPORT BY VICE-CONSUL DEZEYK, OF TURIN.

In inclosing my annual list of exports stated in separate four quarters of the year 1883, and in explanation of the apparent decrease in exportation of the main article of raw silks, I had the honor to state as follows:

The silk trade, from whatever side it is viewed, does not look very encouraging in Italy just now; the producers are obliged to dispose of their cocoons at low rates; the commission merchants complain of much depression in their branch, and the spinning mills no longer represent a profitable industry, but a daring risk of capital and a danger of ruin.

The situation is becoming very serious, especially if one considers that the silk industry of Italy represents a yearly production of \$60,000,000.

In order to explain this crisis, which is more pronounced to-day than ever, they say that while the production is on the increase, the consumption is decidedly diminishing, which circumstance is still further aggravated by the competition of the China and Japan silks.

The public economists—with much pretension to humanity—beseech the ladies to give up their plebian wool and cotton dresses, and to return to their more luxurious and aristocratic silk costumes, appealing to their taste for elegance as well as to their patriotism, but to no avail. They even mention some manufacturers who tried to induce gentlemen to wear silk shirts and under garments on ground of hygiene, but with no better results. On the other hand, many silk merchants doubt that the consumption has been diminished. They say that the manufacturers of the silk stuffs are sedulously exaggerating the effects of the Chinese competition and of the home over-production, and have succeeded in

convincing, in a measure, the silk producers that there exist a complete blocking up of the silk market with over supply, which has naturally produced a great fall in the price of the cocoons and raw silks.

An agricultural paper published at Milan, which is considered to be usually well posted on silk questions, argues that if the production has increased, somehow the consumption has also in the same proportion, because the largest stocks of silk are getting nearly exhausted. China has only produced one-half of her ordinary crop; the deposits of the savings banks have been reduced to considerably less than one-half of last year; the factories are kept constantly busy, and continue to export.

According to the above, the production can never become so excessive as to produce a complete stoppage in the market. There is constituted through the efforts of a respectable body of industrials a silk syndicate, which could in reality assume the name of a coalition for resisting the tyranny of the silk manufacturers, and whose object is to collect \$5,000,000 or \$6,000,000, in order to make loans and purchase the raw silk from the producers and sell it to the manufacturers, controlling the prices according to the interest in general, and for the protection of the silk industry in especial; and although the object in view—to aid and to protect an industry which is one of the main sources of this country's prosperity—is very commendable, nevertheless the employment of monopoly as a means by which to accomplish it, does not seem to pretend any lasting efficacy.

The proposition already put forward in the silk syndicate at Milan, to constitute a company more like a commission house for skillful operations in the purchase and sale at home and abroad of the raw silks, seems to be quite acceptable as an institution which was altogether wanting in Italy.

One thing to be noted as an important step towards the emancipation of the Italian silk industry from foreign influence is that from the 1,456,137 ounces of seeds incubated in Italy there were only imported 233,429 ounces; and that that was also a voluntary tribute of the home ignorance paid to foreign smartness, but nobody can expect to see an importation case at once, which, although it has no reason to exist (for the superiority of native seeds was more than sufficiently proved), has nevertheless taken such deep root in habits of the rural communities, who as a rule are very conservative and slow to learn improvements.

The importation of Japanese seeds having altogether ceased, owing in all probability to some kind of disease of their silk worms, it would now seem reasonable to expect that the Italian seed-raisers would in their turn try to export in that direction in order to recover now some of their many millions which went out that way.

The latest Government statistics report that the grand total of home produce has reached 42,221,039 kilograms of cocoons in 1883, which, considering the proportion of the number of cocoons to the ounce from which they were obtained, would give the highest figures attained during the last forty years.

A few words about the history of silk-worms given by Professor Lissone.

Confucius tells that Si-Ling-Chi, the Chinese Emperor, who resigned about 2,600 years before the common era, was the first raiser of silk-worm on record; he made cloths out of them, and was worshiped by the Chinese as the protecting genius of the silk culture.

Silk-worms were first introduced in Europe in the year 500, through

some Indian monks, but it was not until the year 1000 that these precious insects became known and were raised in Italy.

In the thirteenth century the ladies in the castles of the counts of Savoy raised the silk-worms for their pleasure and entertainment, procuring the seeds from Alexandria, in Egypt, and the mulberry leaves in Sicily and Spain. Towards the year 1400 it became quite popular and lucrative.

Bonafede Paganino, of Bologna, wrote, in 1360, a poem about the silk-worms, and Levantio Guidicuolo, of Mantua, published in 1564 a complete manual of the raising of the insects called "knights, bombyx, catapillar, and silk-worms."

Rosa writes that the silk culture in 1427 was held in such esteem by the industrious Italian cities that the municipality of Modena ordered that within every inclosure there should be planted at least three mulberry trees; and that Florence, which was getting already rich with the silk culture, decreed that every land proprietor should plant at least five trees.

A. J. DEZEYK,
Vice-Consul.

UNITED STATES CONSULATE,
Turin, February 5, 1884.

THE SILK CROP OF THE WORLD.

REPORT BY CONSUL PEIXOTTO, LYONS.

I beg to report the following concerning the silk crops of Europe and Asia, and to add some remarks upon the silk markets of Europe:

France.—The latest news received up to this writing from the departments of the Ardèche, Herault, Gard, Vaucluse, and the Midi in general are unfavorable. Diluvian rains, thunder storms, lightning, and even snow falls upon the highlands at the moment of "mounting," have produced general consternation. The worms have again been attacked with the "flacherie," and the "muscardine," and the consequences of these blighting diseases have followed.

It is generally reported that the crop will be much reduced. Cold and humid weather following the bright sunshine and coming at the critical moment warrant to some extent this belief, but the reports may be exaggerated.

The opening markets for cocoons would rather seem to confirm this, prices being quoted at Alais as low as 3.50 francs, and at Wzès at 3.75 francs the kilogram for pure yellows first choice.

Next week will definitely determine the cocoon market.

Italy.—The rains of France having extended to the regions of the Northern Peninsula, an inferior récolte is anticipated.

Prices of cocoons range from 3.40 to 3.75 the kilogram. Set-backs are reported from Piedmonte at the fourth age. Cocoons have appeared on the Naples and southern markets, but prices have not yet been fixed. No further complaints have been made as to the mulberry leaf; the "pebrine" is reported as existing in some sections.

The cocoon markets will open throughout Italy by the 10th or 12th.

Brusa.—Weather favorable at the third and fourth ages; prospects up to the 31st ultimo fair.

Syria.—The “educations” are finished on the plains and the yellow races of France show good results.

China.—It is now quite certain that the export crop will reach 55,000, possibly 60,000, bales. Though this is a falling off of from 20,000 to 25,000 bales compared with abundant years, when the exports reach 80,000 bales, it is still a large increase over last year, when the shipments fell short of 45,000 bales, and wholly unexpected from previous reports which signaled the prevalence of disease.

Japan.—The average export crop, which for several years was 20,000 bales, reached 28,700 bales for the season of 1882-’83, and 30,000 bales for that of 1883-’84. The latest telegrams give the latter figures for this season (1884-’85), but it is believed the interior consumption will be much greater the present year, reducing thus the usual shipments.

THE RAW SILK MARKET OF EUROPE.

Business, which has been very dull for more than a fortnight, was even worse the past week, and the silk markets of Europe show little sign of improvement.

Two causes are given as contributing to this state of affairs; first, the rarity and paucity of orders placed with manufacturers; and, second, the unexpected news of a good China crop. This latter event, joined to the hitherto fair promises of an abundant European harvest, has produced temporary discouragement. The unfavorable news of the past few days concerning the French and Italian crops will probably change this feeling, and should the output in reality fall short, considering the greatly reduced stocks on hand everywhere, the very reverse of the present depression will be sure to occur.

The Lyons, Milan, and London silk markets meanwhile show no apparent prospect of recovery, prices remaining at the same low figures as given in my previous dispatches. It is even pretended in some quarters that silk, never so low as at present, will still further decline.

I do not share these views. In spite of the present calm and apparent or pretended discouragement, it is my opinion, from six years close observation, that the general situation is much exaggerated. This exaggeration periodically occurs, and always happens just on the eve of the harvest. It is the pessimistic moment in the silk world, and particularly so with the reeler, the throwster, and the fabricant against the unhappy rearer. Buyers of cocoons at this juncture set afloat every imaginable rumor in order to affect the price and secure stock at the very lowest margin.

I do not think the present prices of silk will go lower; on the contrary, it is my conviction that in the very near future there will be very considerable advances.

BENJAMIN F. PEIXOTTO,
Consul.

UNITED STATES CONSULATE,
Lyons, June 3, 1884.

PERSIAN CARPETS AND RUGS.

REPORT BY CONSUL-GENERAL BENJAMIN, OF TEHRAN.

I have the honor to submit herewith some remarks upon the carpet manufacture and trade of Persia, which forms one of the most important features of its industries and commerce.

It is doubtless generally known that the Persian carpets and rugs are not in the ordinary sense of the term manufactured; that is, they are not produced by any regular and complicated machinery, such as is capable of repeating the same design *ad libitum*. The weaving of these fabrics rather suggest large needlework, in which the worker, conscious of his innate sense of the beautiful, allows a lively fancy to guide the ready fingers, and is satisfied with irregularities in the detail sometimes, provided the general effect is agreeable and artistic.

The carpets of Persia are rarely of large size, and they are woven chiefly by the women and children of the peasantry in the villages. A countryman will thus have a rug made in his own house, and when it is done he takes it to the neighboring city and sells it for what he can get after long bargaining. The rooms of the peasantry are small, and this doubtless has something to do with regulating the size of most of the rugs in the Persian market. But a large house in Manchester, which has several branch houses in Persia, has entered so largely into the practice of ordering carpets for the foreign market that for several years the average size of Persian carpets exported to Europe has been larger than the sizes preferred by Persians. This firm has not only paid two or three kraus more than the usual price a square yard, but it has established the practice of making advances to the workmen. This has enabled the latter to erect special rooms of large size, where carpets can be made especially suited for European buyers. The volume of the trade is doubtless increased by the course adopted by this house, while it may be questioned whether the special qualities of design instinctively followed by the exquisite æsthetic perceptions of the Persians may not lose a certain spontaneity and beauty which constitutes the most prominent features of all Persian work of originality and merit. Most of the carpets made for this house are made in the province of Irak, and especially in the city of Sultanabad, but the carpets of Persia are woven in almost every province of the empire. At the same time there has gradually grown up a system or classification in the making of these fabrics which is quite remarkable, when one considers that they are manufactured without concerted action or the aid of capital, excepting, of course, the above-mentioned practice of advances.

The carpet industry of Persia is divisible into three leading classes, the large-sized and the small carpets or rugs and the ghilems, to which may be added a fourth, consisting of the umads or felt carpets. Most of the carpets intended for covering floors, of whatever size, are produced in the central province of Irak, and chiefly at the city of Sultanabad, and in the districts of Sarra vend and Garrouste and Malahir. These carpets go by the generic term pharaghan. They are more solid and massive than other Persian carpets, capable for long use and fitted for apartments of size. For ten years past these pharaghan fabrics have been exported in large and increasing quantities. Large Persian

carpets which deviate from the usual oblong shape are made to order, and cost 3 to 4 kraus a square yard above the average expense. This is partly owing to the increased difficulties of weaving such dimensions with the simple appliances in use and the size of the rooms in the houses of the peasantry.

Besides the pharaghan carpets, floors are also carpeted sometimes with fabrics from Kerwanshab, Hawadan, and the district of Lauristan. Also for this purpose the carpets of Mech-Kabad, in Khorassen, are available, although of inferior texture to the pharaghan. The carpets of Kerwan have also the texture fitted to the rough usage required in covering floors; but while perhaps of superior quality to the pharaghan, they are always small and proportionately more expensive.

The Persian carpet par excellence is the rug. The Persians use these in preference to large sizes. First covering the earth floor with a hass-seer or matting of split reeds, they lay over it numerous rugs, which completely conceal the mat. This arrangement, when composed of rugs of harmonious designs, is very rich, while the cost is actually less than if one large carpet were employed instead.

The varieties or distinct classes of Persian rugs are numerous. In some classes, like the Turkowan, there is general similarity of design, although no two rugs are altogether identical. But in other classes, such as the rugs of Kerwan, Dyochehan, or Kurdistan, there is endless variety in design and texture.

A point to be considered in this connection is the fact that while the small carpets of Persia go under the general designation of rugs it would be a serious mistake to consider them all as merely carpets of small size intended to be trod on by heavy shoes. In the first place, Persians when at home take off their shoes, and thus a carpet of fine, delicate woof and design will last for ages and actually improve with use such as this. In the second place, a large proportion of the rugs of Persia, and especially the finer grades, are never intended to be laid on the floor, but to cover divans or tables or to hang as tapestries and portieres.

This explains the extreme fineness of texture and velvety surface which many of these rugs display, and also accounts for the fringe at the ends. Some of the rugs of Kerwan are almost as fine as cashmere shawls. The designs of these rugs were formerly of a large pattern with a general ground of red, white, or some other uniform tint, with borders and details of minute tracery harmonizing with rather than disturbing the general effect. These patterns are unquestionably of higher artistic importance, exhibiting a quality designated by artists as breadth.

At present, while there is apparently no difference in texture, there is an evident tendency towards smaller designs, which lose much of the effect unless seen with close inspection. Perhaps this is only the result of a reaction from long-established custom, and it must be conceded that the modern designs of Persian rugs are more popular with the average European and American buyer.

The colors formerly employed in the rugs of Persia were imperishable. Rugs one hundred years old show no deterioration in tint, but rather a softness such as old paintings assume. The introduction of aniline dyes at one time threatened to ruin the manufacture of textile fabrics in Persia, but the law against the employment of aniline dyes enacted by the Persian Government is enforced with some rigor. The Turkoman rugs, in some respects unsurpassed for texture and peculiar beauty of design, are unfortunately not made within the Shah's dominions, but over the border, although they are included among the classes of Per-

sian rugs, because the Turkomans were until recently subject to Persia. The Turkoman carpet weavers show a serious disposition to use aniline dyes as the prevailing color of the Turkoman rugs is red. This is especially to be deplored. The fraud, for it can be hardly called by a lesser term in connection with elegant fabrics, can be detected when the eye is in doubt by the application of a wet cloth to the suspected tint.

There is one species of rug which appears to be peculiar to this region in the texture, which suggests knitted rather than woven work. This species of rug is called ghileem. The pattern is identical on both sides, allowing the use of either side, which practically doubles the use. Many of these ghileems are made in the province of Kurdistan. The colors are at once firm and brilliant and the designs often of extraordinary beauty. The lightness and flexibility of these carpets qualify them for portieres, table and sofa covers, and at the same time render them easy for transportation. In consequence large quantities have been exported and found favor in Europe. The ghileems of Shûster are preferable for portieres. Considering their beauty their cost is comparatively moderate. The Garrouste ghileems are well suited for curtain hangings. Those of Lauristan and Zerend, near Teheran, are preferable for carpetings, while the ghileems of Kermanshah excel perhaps for the originality and beauty of their patterns.

The namâds or felt carpets of Persia although produced by a process which perhaps excludes them from the list of strictly textile fabrics, may yet properly be considered in this report. The namâd is made by forming a frame of the thickness intended or excavating a place in the ground floor of the size and depth equivalent to the namâd intended. The hair is laid in this and beaten with mallets until the original disjointed mass has obtained cohesion and is reduced to the dimensions of the frame. A design of colored threads is beaten into the upper surface, sometimes quite effective. The namâd, however, is desirable less for its beauty than the complete sense of comfort which it affords. It is much thicker than other carpets, and the sensation to the tread is luxurious. No carpet has ever been manufactured that is more suitable for the comfort of a sleeping-room in winter. Of course there is a difference in the quality of these namâds, but the dearest are far cheaper than the same surface of carpets or rugs woven in the usual styles. The great weight and clumsiness of the namâds must unfortunately prevent their exportation to any extent until the means of transport are improved. The best quality of namâd is made at Isfahân, but the most massive are produced at Yezd. One would imagine that the size of the namâd must necessarily be limited. But on the contrary the regular Persian carpets rarely equal and never exceed the dimensions of some namâds. The namâd is more often than the carpets intended to cover an entire floor, elegant rugs being laid over it in places. I have seen a namâd 75 feet long by nearly 40 wide in one piece.

There is one species of rug special to Persia often spoken of but rarely seen. I refer to the rugs made of silk. It is not uncommon to see rugs of the finer types with silken fringes and sometimes with a woof of silk in the body of the rug. But all silk rugs are rare, and rarer now than formerly. They are generally small and intended for luxury rather than use. The price is necessarily very high. The chief of the merchants of Teheran told me of one he had seen over a tomb; it was barely two square yards in size; but he said that 200 tomans or \$360 would be a low price for it.

Regarding the ruling prices of Persian carpets it is impossible to give more than approximate estimates. Such matters as standard values

hardly exist in Persia. The individuality of each rug adds to the difficulty. Goods are sold for what they will bring. One day a merchant sells an article at a loss; the next day, perhaps, a lucky customer will give him a handsome profit for a similar article. He averages the profit and loss, and, if shrewd, by the end of the year manages to have the balance in his favor. But small profits are the rule, and such a thing as a fixed price is utterly unheard of.

Members of old or prominent families are often obliged to realize on carpets or embroideries or other articles, which are both rare and costly. They intrust these articles to a *dellâb* or peddler to sell on commission. In such cases articles worth 100 tomans are often sold for 30 to 40 tomans. As a large part of the trade in the cities is done by the *dellâs* this naturally has a tendency to keep down prices.

The carpets ordered and sold by the Ziegler Company follow more uniform rates; but in all other cases it is impossible to affirm that one can ascertain more than the probable market value of Persian carpets and rugs in Persia. It may be stated, however, that a buyer experienced in Oriental ways can purchase good rugs in Persia at such rates as to leave a fair margin for good profits in America over and above the cost, transportation and duties included.

The European demand for old Persian carpets has so far fallen off as to leave but a poor market for those which are much worn or decayed. But there seems to be an increasing demand on the part of connoisseurs and amateurs for the better grades of well preserved antique rugs of Persia. Their artistic qualities are so undeniable that they must always be in fashion for almost every class of household decoration, while their texture and durability well suits them to impart an air of comfort to interiors.

S. G. W. BENJAMIN.

UNITED STATES CONSULATE-GENERAL,

Teheran, April 29, 1884.

TAXATION IN PORTUGAL.

REPORT BY MINISTRE FRANCIS, OF LISBON.

A general idea of taxation in Portugal may be gathered from the following carefully prepared statement:

TAXES ON PROPERTY.

Real property is taxed on the basis of income. Proprietors of houses must make declaration of rents received by them; the same course is pursued in respect of farming lands. Rental sum or value of use is estimated in cases of occupancy of premises by proprietors thereof.

The Government fixes a certain amount to be levied upon every district, and this is divided among the property owners upon the basis of income as explained. Unoccupied premises are not taxed. The aggregate of annual taxes upon real property amounts to about 13 per cent. of the income or estimated income therefrom.

TAXES ON TRADES AND INDUSTRIES.

The Kingdom is divided into six different classes of towns, and the trade and industries into eight different categories. The following table

illustrates the system, the figures representing the annual tax in reis (1,000 reis equal \$1.08) upon each person or firm of the different classes and categories named:

Industries.	First class.	Second class.	Third class.	Fourth class.	Fifth class.	Sixth class.
First category.....	200,000	160,000	100,000	80,000	60,000	40,000
Second category.....	80,000	65,000	40,000	30,000	25,000	18,000
Third category.....	60,000	50,000	35,000	25,000	20,500	15,000
Fourth category.....	40,000	35,000	25,000	18,000	15,000	10,000
Fifth category.....	25,000	22,000	16,000	12,000	10,000	5,500
Sixth category.....	16,000	13,000	9,000	7,000	5,500	3,000
Seventh category.....	8,000	6,500	4,000	3,000	2,300	1,300
Eighth category.....	1,600	1,400	1,000	750	550	400

The following example will show how the tax is worked out, taking a person or firm placed in the second category of the first class of towns:

	Reis.
Amount.....	80,000
40 per cent. on 80,000 reis	32,000
	112,000
15 per cent. for preservation of roads.....	16,800
	128,800
2 per cent. stamp on 128,800 reis.....	2,576
	131,376
6 per cent. on 112,000 reis.....	6,720
Total amount of tax.....	138,096

But as every trade or industry is composed of tradesmen, manufacturers, &c., doing more or less business, the Government orders that all persons included in the same category shall form among themselves a board, composed of a president and two secretaries, charged with the duty of fixing among the respective members the amount of tax levied by the Government over and above the total of the minimum sum named for each category; that is to say, as for example, the amount must be equal to an annual tax of 200,000 reis (\$216) each upon those embraced in the first category of first class, as inserted in the table, that amount being the minimum; but as the aggregate levied by the Government always largely exceeds the total of the minimums, the board referred to is charged with the duty of distributing the excess in an equitable manner, so that the larger dealers or tradesmen shall bear their proper proportion of the tax in excess of the minimum (as given in the table), which all must pay.

TAXES ON RENTS.

These taxes are paid by the residents of houses, and are charged in accordance with rents paid by them to proprietors. Supposing the rent of a house to be 380,000 reis, we have the following taxes:

	Reis.
8.4 per cent. on 380,000 reis.....	31,920
15 per cent. for preservation of roads, &c	4,788
	36,708
2 per cent. stamp	734
	37,442
6 per cent. on 31,920 reis	1,915
Total tax	39,357

SUMPTUARY TAXES.

The kingdom is divided into six different classes, taxes being the same, however, in first and second, and again the same at lowest rates in fourth, fifth, and sixth classes. The persons who have servants, carriages, horses, &c., must pay according to the class of the town wherein they reside, as follows, the figures representing reis:

Keeping—	First class.	Third class.	Fourth, fifth and sixth classes.
One servant	2,240	1,960	1,960
Two servants	5,740	4,760	4,760
Three servants	17,080	13,300	13,300
Four servants	38,080	30,380	30,380
One man besides the above	9,520	7,560	7,560
One horse, mare, or mule	11,480	9,520	1,960
Two horses, mares, or mules	28,560	22,820	4,760
Three horses, mares, or mules	56,980	47,460	11,480
Four horses, mares, or mules	95,060	76,020	19,040
One more besides the above	23,800	19,040	4,760
One two-wheel coach for two horses	28,560	23,980	14,280
One two-wheel coach for one horse	14,280	11,900	7,140
One four-wheel coach for two horses	56,980	47,460	25,560
One four-wheel coach for one horse	28,490	23,780	14,280
Heraldic device on coach	14,000	14,000	14,000

The following is an example of tax paid by a person in the first or second class:

	Reis.
Two servants	5,740
Three horses	28,560
One two-horse four wheeled coach	56,980
	<hr/> 91,280
15 per cent. for preservation of roads	13,692
	<hr/> 104,972
2 per cent. stamp	2,099
	<hr/> 107,071
6 per cent. on 91,280 reis	5,476
	<hr/> 112,547
Total tax	

INCOME TAX.

Three per cent. is levied upon all official salaries, upon the dividends of all incorporated institutions, and upon the coupons of Government securities held in Portugal.

INDIRECT TAXES.

The estimated receipts from "indirect taxes and customs," as given in the budget of 1884-'85, aggregate \$17,464,906, little more than half the estimated expenditures of the Government for the year named.

OTHER TAXES.

The remaining sum required to make up the expenditures, which are estimated at \$34,524,537, is derived from direct taxes, \$6,783,361; stamps and registration, \$3,504,488; "additional" tax, \$1,141,560; sale of national domains and miscellaneous receipts, \$3,603,441; repayments and sundries, \$1,188,882, with deficit of \$883,897.

REMARKS.

It will be seen that taxation in Portugal in its multiplied forms bears upon every material interest, and levies a large contribution upon the wealth and industry of the kingdom. Complaints are made of inequalities and partialities in the levies, with the charge that favored individuals who are supposed to wield influence in political affairs are permitted to underestimate the taxable income of their estates, and in the cities and towns to place themselves in the lower categories of industries, in order to escape burdens they ought to bear, and to shift upon others a good portion of the load it is their legal and equitable obligation to carry. But it may be said that complaints of unjust taxation prevail under the best systems the wit of man has yet devised.

In regard to method, it is claimed that the policy of taxing rents or the income of real property is a fairer system than that of assessing the entire value of such property and placing taxation upon the basis of such assessment without reference to the income it may yield. Unoccupied houses are not subject to taxation in Portugal. The theory is that the use of a thing defines the measure of its value; that to tax unused property is a process of confiscation.

In reply it may be said that the moderate taxation of unoccupied estates induces the effort to secure their occupancy, and discourages the disposition to hold them tenantless and undeveloped awaiting the acceptance of unreasonable rental demands. There is force in this argument as applicable to landed estates in the old countries, especially with a large tenant class always anxious to secure the use of land as the opportunity offers at rental rates enabling them to work out a very humble living.

JOHN M. FRANCOIS,
Minister.

LEGATION OF THE UNITED STATES,
Lisbon, March 8, 1884.

MENDICANCY IN PORTUGAL.

REPORT OF MINISTER FRANCOIS, OF LISBON.

In Portugal the State has not undertaken the administration of charity; it has no organized system for the maintenance of mendicants; the insane, the blind, and deaf-mutes are not directly cared for by the State. In a word, it may be said it does not through organizations of public beneficence recognize the principle of legal charity. There are no official reports or publications thereupon showing the extent of mendicity in this kingdom. That it prevails largely is evident to all observers, and although under the civil and administrative codes it is made the duty of municipalities and parishes to provide proper support for the poor and enforce measures for the extirpation of mendicancy within their respective jurisdictions, as a matter of fact comparatively little is done through these agencies to effect the desired object. Private beneficence applied by means of organized methods constitutes the only effective charity in this case, and the societies formed for that purpose, especially in the larger towns of the kingdom, are active and efficient.

Mendicancy is forbidden by a city ordinance in Lisbon, but still it prevails here to a considerable extent, and not infrequently in very repulsive forms. In the country towns and hamlets the evil is more offensively conspicuous. Importunate wretches, with distorted limbs and

diseased bodies—literally the “halt, lame, and blind”—beset the streets and loudly clamor for “backsheesh.” The evil increases under the misguided charity of promiscuous giving, and mendicancy is inherited and transmitted in families, who ply their vocation in accordance with natural desire and as a matter of business. If the municipalities and parishes were made to obey the law of the kingdom the social plague would be largely abated, and professional mendicancy greatly checked if not practically extirpated.

There are private associations of beneficence in some towns, like the *Bureau de Bienfaisance* of the French and Belgians, destined to help the poor in their homes and to find work for those who are able to work. In many of the principal towns of the kingdom the institution known as the *Santa casa da Misericordia* is established. It is of private origin, destined to practice different works of charity and chiefly to maintain hospitals for the poor.

There are two lunatic asylums which, under private direction, receive stipulated subsidies from the municipalities, one in Lisbon and the other at Oporto, the latter built and largely endowed by the late Count Ferreira, with ample accommodations for three hundred and fifty inmates. There are also asylums for poor children, hospitals for the infirm poor, and for the lame, and other charitable institutions in some of the more important towns of the kingdom; but all of these establishments are mainly supported by private beneficence. Of those in Lisbon there are three: “*Misericordia*,” known as a foundling hospital; the “*Asylo da Mendicidade*,” where the poor are cared for, at present having about two thousand inmates; and the “*Casa Pia*,” where upward of one thousand orphans are supported, taught the elementary branches, and, when of proper age, secured places for service and self-support. These institutions receive some aid from the Government or the municipality, the “*Misericordia*” enjoying the profits of 15 per cent. which the Government exacts upon the sale of lottery tickets.

There are the “*albergos nocturnos*,” or places of refuge for the poor at night, largely under the patronage of the King; also the institutions known as “*The Creche*,” of which there are several in Lisbon, one of the number established by the Queen in honor of her lamented father the late King Victor Emmanuel of Italy, and supported by her. “*The Creche*” receives for the day infants and young children of poor mothers who go out to work. The little ones are nicely clad and well cared for, and their mothers are instructed with reference to rearing them properly, and enforcing habits of cleanliness.

It may be said of the aid extended to the poor in this kingdom that the bulk of this charity, nearly all in fact, is contributed by societies of citizens mainly of the larger towns, whose voluntary offerings are very large in the aggregate. A considerable proportion of the money required for the support of this beneficence is derived from endowment funds, which are annually increased by testamentary appropriations made by wealthy persons of charitable disposition. Finally, it may be said that while private philanthropy does much to ameliorate the condition of the poor in this kingdom, there is a lack of organization and effort on the part of local authorities to properly treat the evil of professional mendicancy, a plague that increases under indiscriminate ministrations by the charitable, and is the source of demoralization to the State.

JOHN M. FRANCIS,

LEGATION OF THE UNITED STATES,

Minister.

Lisbon, May 7, 1884.

EXHIBITION TO BE HELD AT BUDAPESTH IN 1885.

REPORT BY CONSUL STERNE, OF BUDAPESTH.

With this I beg to inclose three further circulars in connection with the exhibition to be held here in 1885, and refer to my report of November 20, 1883, in which I have said more upon the subject.

HENRY STERNE,
Consul.

UNITED STATES CONSULATE,
Budapesth, May 14, 1884.

THE BUDAPESTH GENERAL NATIONAL EXHIBITION, 1885.

GROUP I.

Special programme and general regulations of the International Section Seeds, Cattle food, and Manuring Substances.

I.—OBJECT AND DIRECTION OF THE EXHIBITION.

Simultaneously with and within the limits of the Budapesth General National Exhibition, 1885, there will be held an International Exhibition of Seeds, Cattle-food, and Manuring Substances.

The immediate management of this international exhibition has been intrusted to the general committee of the general national exhibition, 1885, residing in Budapesth (Nr. 6 Ferencz József-ter.)

II.—PLACE AND DURATION OF THE EXHIBITION.

The General National Exhibition, and simultaneously with and within the limits of the same the International Exhibition of Seeds, Cattle-food, and Manuring Substances will be held in the town-park of Budapesth, on the territory designated for this purpose by the capital.

The exhibition will be opened on the 1st of May, 1885, and closed on the 15th of October, 1885.

III.—OBJECT OF THE INTERNATIONAL EXHIBITION.

The object of the International Exhibition of Seeds, Cattle-food, and Manuring Substances is to acquaint the Hungarian agriculturists with foreign produces, and, in the interest of the interchange of seeds, also with the foreign places of import, besides, to furnish detailed particulars of the foreign agricultural situations, rendering it possible at the same time to foreigners to procure themselves a favorable market for their produces in Hungary.

IV.—GROUPING OF OBJECTS.

The international exhibition comprises the following classes:

(A) Seeds of bread corns, comprising summer and winter wheat, spelt (German wheat) and the like; summer and winter rye; spring and winter barley, diastichons, square and hexastich; white and black oats; Indian corn (maize), buckwheats, millet, beans, peas, lentils, and rice may likewise be exhibited in this class. From all the above kinds of corn there may also be exhibited the respective varieties.

(B) Seeds of medicinal herbs, comprising seeds of medical herbs, the herbs themselves as well in raw state as in their different states prepared for the trade.

(C) Seeds of textile plants, comprising hemp and flax, ramie (China-grass), nettle plants and seeds of other textile plants. It will be advisable to exhibit also whole plants. The drawings of machineries and implements for the culture of hemp and flax, models of raising-pools and of buildings may also be exhibited in this class.

(D) Seeds of commercial plants and of agricultural industry plants. Comprising: rape; turnip; gold of pleasure; beet-root (sweet turnip) and hops; models or drawings of tools, implements, machineries, and buildings required for the cultivation and conservation of hops; potato; chiccory; kinds of sorghum, woad, madder, mallow (*Althea rosea*); saaponaria (soap-root). The plants may be exhibited in raw condition or as products of first manufacture.

(E) Seeds of forage plants. All kinds of clover; lucernes; red clover and esparset; autumn and spring vetches; beans; horse beans; all kinds of peas; lupines; Swedes; mangel-wurzel; turnips and cattle-carrots, &c.; topinambur, mohar; panicum and other kinds of millet; all sorts of herbs and other forages or their respective seeds. Plants of the above seeds may likewise be exhibited in dry and rooted samples.

(F) Other kinds of cattle-food. Refuse of factories, germs of malt, ground malt, remains of beet-roots (sweet turnip); all sorts of oil-cake; bran and artificially composed cattle-food.

(G) Manures. All kinds of mineral-manures, as plaster, lime (calx); marl, kali-salt and the manures made of kali-salts; phosphate and phosphates made of. Of animal manures there may be exhibited: All kinds of guano, manure of bones, depressed and diffused bone-dust, horn-shavings, and the like. Of composed manures: poudrette and all kinds of compost, &c.

All the objects of this class shall be provided with labels containing the following particulars:

- (a) Are the exhibited seeds produced by the exhibitor or did he buy them?
- (b) Denomination of the exhibited kind of seed and other nearer particulars.
- (c) The place and, as far as possible, also the soil upon which the seed has grown.
- (d) The quantity of hectoliters grown in the year 1884 on one hectare of the exhibited seed, if it has been produced by the exhibitor himself, or if he is able to furnish such particular.

(e) Whether the exhibitor generally sells the exhibited seeds for cultural or for technical purposes; if yes, how much a year and at what prices.

All the seeds are to be exhibited in proper glass-vessels provided either with lids or with stoppers, or a sum of 2 florins=4s. shall be sent as the price for every such vessel.

Of every kind of seed at least 3 liters shall be sent.

In order to complete the exhibition of seeds, it is very desirable that the ripe exemplaries of plants should be exhibited with their roots, spikes, cobs, and spadixes.

It is further desirable to get proper particulars respecting the ingredients of the soil, the chemical analysis of the seeds or other qualities being of importance for the valuation of the seed. All the necessary notes shall be represented either in form of tables, graphic drawings, or in any other way.

In Class A (seeds of [cereals] bread corns) the weight of a hectoliter shall be especially noted.

In Class B (seeds of medical herbs) there is especially to be remarked:

(a) The scientific Latin name of the seed, respectively of the plant, together with the usual local denomination.

(b) Whether the exhibited seed of the medical herb has grown wild or been especially cultivated?

(c) Where, in which community, on what soil, eventually on what places of a special culture (forest, meadow, &c.), in which situation (mountain, river, bank, &c.), the exhibited object has been produced or gathered? Is it regularly gathered? which are the therapeutic elements of the plant?

Respecting the way of exhibition of the objects of this class it is desirable that the medical plants should be exhibited in whole, rooted and perfectly developed samples, fastened upon a pasteboard or upon other small boards.

The ingredients of plants and the seeds employed for therapeutic purposes shall be exhibited also in their different degrees of preparation, likewise in glass vessels or cylinders. Besides there are to be exhibited the different ways of packing as well as the ingredients of plants classed according to their different commercial qualities.

In Class C (seeds of textile plants) there shall be likewise sent perfect plants with roots and fastened upon small boards provided with a long measure.

In Class D (seeds of commercial plants and of agricultural industry plants) the following particulars should especially be given:

(a) Which method of culture is employed by the grower?

(b) What ways are employed for the conservation, preparation for the market and for the packing of the produce?

Here, too, as far as possible, there are to be sent perfectly developed plants as well as their produces in their different states of preparation as well as in the shape of ready commercial articles.

With the potatoes there is especially to be remarked: The designation of the species; whether they are grown as table-potatoes or as cattle-food; whether the latter are used for the manufacture of alcohol or of starch?

Of hops there are to be sent at least 500 grammes in glasses, besides at least 5 kilograms in sacks, for the sake of comparison. The method of drying and of the conservation of hops is likewise to be shown.

Of beet-roots and of potatoes there is to be sent a quantity of at least 5 kilograms, and exhibited upon glass or wooden plates.

Of beet-roots in dry condition 2 kilograms will be sufficient.

Models and drawings of machinery and tools for the conservation of beet-roots and hops, as well as the buildings for the drying of hops, may be exhibited in this class, in models or in drawings.

The different methods of packing are to be shown respecting the hops as well as the dyeing plants. With the dyeing plants there shall be exhibited besides the seeds also such parts of plant which are used for the extraction of color, as they are generally classified in commerce.

In Class E (seeds of forage plants) the drawings and models of the implements or buildings destined for the preparation or conservation should also be exhibited. Besides it will be advisable to give information respecting the method of cultivation employed by the exhibitor; how often he mows, in which way he proceeds with the conservation and preparation of cattle-food, as well as the proportion observed in the mixing of the several kinds of forages.

Together with the exhibition of the forage-plants, there shall also be submitted the report of a control station of seeds, and remarked whether the seeds themselves are likewise used for cattle-food.

Besides, it will be required that the forage-plants should be exhibited in their different states of development and from the different seasons, in perfectly rooted exemplaries as well in their state ripe for mowing as entirely developed with perfectly ripe seeds.

Also here there may be used white paste boards, containing a long measurement as well as the principal particulars respecting the nature of the soil, quantity of production in green and dried state, and the chemical analysis, &c.

Of Swedes and of topinambur there shall be sent 5 kilograms of each with special designation of the species, likewise to be exhibited on glass or wooden plates.

In Class F (other kinds of cattle-food as oil-cakes, &c.), there shall be sent likewise 5 kilograms. Oil-cakes shall be exhibited as whole cakes as well as ground. The bruised (crushed) forages as well as those exhibited in small pieces, shall be put in glass vessels with lids.

The exhibiting factories and merchants are requested to communicate, besides the price of the object, also the freight up to the principal European railway or steam-boat stations.

In Class D (manures) 5 kilograms of each sort are to be sent in glass vessels, as hermetically closed as possible. Here, too, the freight up to the principal European stations should be remarked, besides the price of the objects.

V.—PRIZES.

The most eminent objects exhibited will be distinguished in the sense of the jury regulations.

The prizes are the following:

1. Great diploma of honor.
2. Bronze medal.

The one side of the medal contains the chief merits of the exhibitor, in terms as:

For excellent produces, for excellent manure, &c.

Besides the medals there will be distributed special diplomas containing detailed designation of the merit.

The general committee will take care of the interests of foreign exhibitors by admitting into the jury a corresponding number of foreign members.

VI.—REDUCTION OF FREIGHT.

The general committee has taken the necessary steps in order to procure the greatest possible reduction of freights on all lines (railway and steamer) of the Austro-Hungarian Monarchy, for the objects of exhibition as well on the entry as on the eventual return journey of such objects.

VII.—EXEMPTION FROM DUTY.

The duty-free importation of the objects of exhibition has been granted by Art. 10 of the XVI law of 1892.

The Royal Hungarian Ministry of Agriculture, Industry and Commerce will claim the assistance of the imperial and royal ministry of foreign affairs to obtain, whenever it shall be necessary, the duty-free transport to the respective countries of all exhibited articles that should not have been sold during the exhibition.

VIII.—APPLICATION.

Applications must be made on special blank forms, to be forwarded free of charge by the general commission, which blank forms shall be filled up properly and legibly

and sent in duplicate to the office of the general commission (Budapest, V., Ferencz József-tér Nr. 6) at the latest till the last day of August, 1884. The same committee will be answerable for a prompt and quick dispatch of all applications, and will pay every attention to the correspondence with exhibitors.

IX.—ACCEPTANCE AND ADMITTANCE.

The general committee will decide upon the acceptance of the notified objects.

In case of acceptance of any object to be exhibited, the exhibitor will receive a certificate of admittance within thirty days after sending in his application.

X.—RENT FOR SPACE.

The rent for space has been fixed as follows:

(a) For a space of one square meter, 8 florins = 16s.

(b) A space of one square meter beside the wall, 6 florins = 12s. The wall itself to the height of 3 meters being included in this latter case.

No space less than a meter can be hired.

Half of the rent to be paid down to the counting office of the "Magyar országos bank részvény-társulat Budapesth," at the latest, within thirty days from the remittance of the certificate of admittance, and the other half at the latest till the 15th of May, 1885.

If the rent is not paid in due time, the general committee will be entitled to dispose otherwise of the space claimed. If, after having paid down the first half part of the rent, the applicant does not exhibit, no money will be returned.

If, after the placement of articles, it should appear that more space has been occupied than stated in the application, the difference shall be paid up to the 15th of July, 1885.

XI.—STANDS AND TABLES.

The general committee himself will provide for the stands, tables, &c., required for the exhibition, for the use of exhibitors, at a moderate price.

In case of any exhibitor wishing to exhibit upon his own stand or case, drawings of such stands or cases shall be submitted to the approval of the general committee.

XII.—TRANSPORT.

All objects to be exhibited shall be sent free to steamship or railway stations of Budapesth. If the returning of any article be required, it is to be declared in the application, no subsequent claim being admitted in the contrary case.

XIII.—BILLS OF DELIVERY. SENDING IN.

Before forwarding the articles bills of delivery must be sent in to the general committee containing the exact list of articles.

All objects for exhibition shall be sent between the 15th February and the 15th March, 1885.

XIV.—OBJECTS TO REMAIN EXHIBITED.

No object exhibited will be permitted to be removed before the closing of the exhibition, viz, before the 15th October, 1885, except with the permission of the general committee.

XV.—ARRANGEMENT, CUSTODY, AND CLEANING.

The general committee will provide for a necessary number of trustworthy persons the arrangement, custody, and cleaning of the articles exhibited.

No guarantee will be given for losses or damages happening on the premises.

XVI.—FIRE INSURANCE.

The general committee will undertake to insure all objects against fire, at a premium in proportion to the value stated in the application.

XVII.—COMMERCIAL AGENTS.

The general committee will provide for active and experienced agents to act as the commercial representatives of visitors at moderate fees. Any claim for such representation shall be expressed under the proper head of the application.

Exhibitors represented by their own agents are requested to announce them in time to the general committee.

XVIII.—CATALOGUE.

With regard to admission in the catalogue, exhibitors may, besides their firm and the list of the objects to be exhibited, supply, in due time and in as concise a form as possible, also statistical or descriptive particulars concerning their products or their trade.

Regular advertisements will only be admitted at a moderate tax, to be fixed subsequently.

XIX.—SUBSEQUENT PUBLICATIONS.

Subsequent special regulations or publications issued by the general committee respecting the objects of exhibition will be either forwarded direct to the exhibitors or by way of agents to be published the different countries.

XX.—ACCEPTANCE OF REGULATIONS.

With the sending in of the application every exhibitor submits, in his own name and in that of his representatives and employes, to the above regulations, as well as to all further directions that may be issued by the general committee.

In the name of the general committee of the Budapesth General National Exhibition, 1885.

MATLEKOVITS,
President.
COUNT EUGÈN ZICHY,
Second President.

THE BUDAPESTH GENERAL NATIONAL EXHIBITION, 1885.

Number —. Number of catalogue —.

Application respecting the international exhibition of the first group of the Budapesth General National Exhibition (1885) for Seeds, Catillo-Food, and Manure.

I.—THE EXHIBITORS.

Name of firm, ———.
Address (postal or railway), ———.

II.—SPACE REQUIRED BY EXHIBITOR.

(a) Space for objects freely exhibited: length in meters, breadth in meters, height in meters.

(b) Space along the walls or in the cases besides the walls: length in meters, breadth in meters, height in meters.

REMARK.

1. To be filled up by the exhibition office.
2. Every exhibitor shall fill up two blank forms distinctly and legibly and send them to the general committee. (Art. VIII of Regulations.)
3. Exhibitors who wish to exhibit their articles on their own tables or stands shall previously present drawings of the same. (Art. XI of Regulations.)

III.—OBJECT OF EXHIBITION.

No.	Object of exhibition.	Objects.	
		Insured value.	Price of sale.*

* REMARK. This head is to be filled only if the object is to be sold.

IV.—STATISTICAL DATA.

Under this head the explanatory particulars required in the regulations are to be given.

V. REMARKS.

Under this head any wish of the exhibitor, as to the sending back of objects, commercial representation, &c., is to be expressed.

VI.—DECLARATION.

_____, the undersigned do declare by these presents to be fully aware of and to submit to the special program and general regulations of the International Section for Seeds, Cattle-food, and Manure of the Buda-pesth General National Exhibition, 1885.

_____, day of _____, 188-.

VII.—CERTIFICATE OF ADMITTANCE.

No. _____. To _____, in _____.

The general committee of the Buda-pesth General National Exhibition, 1885, has granted in the International Section for Seeds, Cattle-food, and Manure, to _____, a space of _____, claiming for the same the sum of _____.

Dated _____ the _____, 188-.

In the name of the general committee: _____.

For the correctness of the measurement and taxation of the space. _____.

THE BUDAPESTH GENERAL NATIONAL EXHIBITION, 1885.

GROUP I.

Invitation concerning the International Exhibition of Seeds, Cattle-food, and Manure.

In conformity with a bill submitted to the Hungarian legislature by Count Paul Széchényi, royal Hungarian minister of agriculture, commerce, and industry, a law (XII, 1883) has been passed for the purpose of instituting a General National Exhibition, to be held in Budapesth, the same having on the 9th of March, 1883, received the sanction of His Imperial and Apostolic Royal Majesty Francis Joseph I.

By this law the Budapesth General National Exhibition, to be held in the year 1885, has not only been placed under the patronage of the Hungarian Government, but has been declared a national question; the Government being charged with the preparatory and organizational works as well as with the direction of this exhibition.

A general committee has been appointed by the above-named minister and intrusted with the immediate management of the affairs of the exhibition.

This general committee will be presided by Dr. Alexander Matlekovits, secretary of state, while Count Eugén Zichy, president of the National Industrial Society, will be second president, and Dr. Julius Schnierer, ministerial consular, will be director of the committee.

The general committee, all by maintaining the limited character of the exhibition, intending to produce in the first line only as complete and faithful a picture as possible of the natural and industrial products of Hungary, has decided to organize simultaneously with, and within the limits of the General National Exhibition an International Exhibition of Seeds, Cattle-food, and Manure, with the participation of any foreign country.

The object of this international exhibition is to acquaint the Hungarian agriculturists with foreign produces; and, in the interest of the interchange of seeds, also with foreign places of import, and generally to give a clear picture of foreign agricultural production, whereby opportunity shall be given to foreigners to procure themselves a favorable market for their produces in Hungary.

These general points are the main causes which have induced the general committee to admit into the agricultural section seeds, cattle-food, and manure also from abroad, and to permit also foreign products to compete, whereby the interests of for-

eign exhibitors shall be taken into due consideration, and protected by way of appointing foreign members into the jury.

In the name of the general committee of the Budapesth GeneralNational Exhibition, 1885.

MATLEKOVITS, *President.*

COUNT EUGEN ZICHY,
Second President.

BUDAPESTH, *February 15, 1884.*

CONSULAR VISIT TO KUMAMOTO, JAPAN.

REPORT BY CONSUL JONES, OF NAGASAKI.

The province of Higo, which may be said to adjoin that of Nagasaki on the south, and which is separated from it by the gulf of Shimabara, is one of the most productive and prosperous provinces on the island of Kiu Shiu. The greater portion of it is a gently undulating plain, about 40 miles in extent in each direction, and is watered by several rivers, which flow through it from the mountains to the sea. These rivers are navigable by small flat-bottomed boats bat(eaux), which are propelled by sculls and by polling, where the water is shallow, and serve the purpose of transporting the produce of the province from point to point with great convenience and at very little expense. The climate is slightly softer than at Nagasaki, because of its sheltered position from the high winds of the sea, and the vegetation is more luxuriant. Its capital city, Kumamoto, will probably be one of the next ports opened to foreign commerce.

Nagasaki, Osaka, and other open ports have already, through native merchants and their lines of transportation, much and valuable traffic with this province. As it is populous and the people thrifty it will become, in all probability, a ready market for articles of foreign manufacture, and for none more so, I should think, judging from the character of the country, than the agricultural implements of the United States.

The roads are good and level, and in time carts, wagons, and carriages will, no doubt, come into use, superseding the old time custom of the man as a beast of burden. The value of time and the economy of labor must, however, first be learned, which, from the ready adaptation of the people, will not be long, when brought in contact with another and newer civilization, and the necessities of trade, &c., show the advantages of modern appliances.

As the crow flies, the distance is not great from Nagasaki to Kumamoto, but by small Japanese steamers, down the coast and up the gulf, the voyage occupies about seven hours. A more direct route is to walk across the hills from Nagasaki to Mogi, a distance if 4 miles, and there take a fishing-boat, with four or five men to scull, or if the wind is fair to sail. This route saves distance, but not time, as being master of the situation one is apt to loiter in the midst of such picturesque surroundings and to stop at inviting places on the way.

The gulf of Shimabara, or the inland sea of Shimabara, as the natives love to call it, is a magnificent water-way, little inferior in its charm of scenery to the inland sea of Japan. The characteristics of bay and inlet, fairy-like islands, and picturesque mountains are the same, but on a minified scale, so to speak. Here, however, the scenery is set off or emphasized, as it were, by the volcano of Shimabara, which looms up in the air from every point of view, grim and rugged, with a vapory

cap on its summit, a slumbering giant of suppressed and terrible power that once within the memory of living men overwhelmed and devastated this whole region of country. The last eruption of this volcano, in 1792, which spread terror and destruction around, and, according to the description given of its terrific display of violence, might well have filled every one with dread and alarm. Dr. Von Siebold, at that time the physician and naturalist of the Dutch factory at Desima Island, now a part of Nagasaki, in his account of the event, says that at 5 o'clock in the afternoon of the 18th of the first month the summit of the Ugen (Shimabara) suddenly sank and smoke and vapor burst forth. On the 6th of the following month an eruption occurred in the mountain on its eastern declivity, not far from the summit. On the 2d of the third month a violent earthquake, felt all over Kiu Shiu, so shook Shimabara that no one could keep his feet. Terror and confusion reigned. Shock followed shock, and the volcano incessantly vomited forth stones, ashes, and lava that desolated the country for miles around. At noon on the 1st of the fourth month another earthquake occurred, followed by reiterated shocks more and more violent. Houses were overthrown, and enormous masses of rock rolling down the mountain crushed whatever lay in their way. When all seemed quiet and the danger was believed to be over, sounds like the roar of artillery were heard in the air and from under the ground, followed by a sudden eruption of the Mioken Yama, on the northern slope of the Ungendake. A large portion of this mountain was thrown up into the air, immense masses of rock fell into the gulf, and boiling water bursting through the crevices of its exploded sides poured down, overflowing the low shore. The meeting of the two waters produced a phenomenon that increased the terror. The wheeling eddies formed water-spouts that annihilated all they passed over. The devastation wrought in the peninsula of Shimabara and the opposite coast of Higo by these united earthquakes and eruptions of Ungendake, with its collateral crater, is said to have been indescribable. In the town of Shimabara every building was thrown down except the castle, the cyclopean walls of which, formed of colossal blocks of stone, defied the general destruction. The coast of Higo was so altered by its ravages as to be no longer recognizable. Fifty-three thousand human beings are said to have perished on this occasion.

Shimabara is now a favorite resort for invalids, foreign and natives. There are a number of hot sulphur springs along the slopes of the mountain, which have the reputation of wonderful curative properties in various diseases, and houses of entertainment, with sulphur baths attached, have sprung up to meet the requirements of visitors. By boat and jinricksha, these springs are distant only a few hours' ride from Nagasaki.

Steamers of the heaviest draft can navigate through all parts of the Gulf of Shimabara, though at present only two or three small steam vessels of a hundred tons or so ply between Nagasaki and its chief ports.

There are many villages and several considerable towns on its shores, and much eligible table land. Here and there, in sailing by, you have glimpses of wide-spreading, fertile valleys, capable of sustaining large populations. The gulf is the outlet of three or four provinces, and will in time, when the interior of the country is opened to foreign trade and is further developed, become an important and thronging highway.

Kumamoto is an inland city, about 7 miles from the gulf. Its seaport, Hiyakwan, a small village, but of considerable activity, has the drawback of a bad harbor. Vessels of the lightest draft cannot ap-

proach nearer than half a mile. I am informed, however, that a new and excellent harbor, lower down the coast, has been found and surveyed, from which a road to Kumamoto will be built by the time the province is opened.

Kumamoto is a very attractive city. It is situated on a plain with two fine rivers running through it, over which there are many curious, old stone bridges. The houses have terraced gardens to the water's edge and the streets are planted in shade trees. In the summer evenings the rivers are alive with pleasure boats. Of an afternoon you may see half the population, of both sexes, bathing together, in high glee, innocent of any garments and unconscious of any shame.

Just outside of the city is a public garden of considerable extent, laid out in the inimitable style of the Japanese, in lake and grove and mountain and waterfall, which was once, I believe, the pleasure grounds of an ancient daimio.

In the center of the city, built on a high conical hill, is a famous castle that commands the approaches in all directions. A broad, swift river sweeps its base on two sides, and wide, deep, walled ditches defend the other sides. The castle walls, of massive stone-work, rise on terraces, rampart after rampart, from the base to the summit. It was built in 1592 by Kato Kiyomassa, a celebrated warrior of the time, and has withstood more than one obstinate siege. The last was in 1877, during the Satsuma rebellion, when General Saigo threw his artillery against it in vain.

The governor of Kumamoto, who was an inmate of the castle and one of its defenders in this siege, is the authority to me for the story that the garrison having entirely exhausted their supplies had killed and eaten their horses, and these being finished, were again reduced to the famishing point, when one night, at their direst extremity, every cat in the neighborhood swam the river, and, with a patriotic self sacrifice never known before in the animal world, swarmed through the port holes and saved the garrison.

It is related on authority that Kato Kiyomassa, when this castle was completed in 1592, put to death all the workmen engaged in its construction, several thousand men, that none might know the secrets of its interior arrangements.

The castle is now garrisoned by imperial troops. The Japanese army, numbering 35,000 rank and file, has been under instruction of French officers in all its different arms for several years. The headquarters are at Tokio, and several thousand troops are always retained there. The others are stationed throughout the country, and for the most part garrison the old castles. The uniform and arms are after the French pattern. The garrison maintained at Kumamoto is a source of considerable revenue to the various industries of the city, and the daily parades and drills of the different arms of the service and the officers and soldiers off duty mingling with the population add more or less to its bright and busy appearance.

A cotton manufactory has recently been established here which gives employment to four or five hundred female operatives. They receive a compensation of 10 *seus* a day, the establishment providing them with their mid-day meal of rice, fish, and vegetables, and are entirely content with this remuneration. The manufactory is termed a school, the operatives being required to teach the art to others throughout the province at the expiration of their service. They use the old-fashioned simple loom and shuttle, and handle them with marvelous dexterity. The manufactured cloths are of the kind of which the native garments of

the people are made, and are sold at a price easily within their means; that is, about 2 yen for a bolt or piece of twenty yards. In one department of this establishment silk cloths are manufactured. Silk culture is an important industry in this province. Plantations of mulberry trees are extensively cultivated. At nearly every farm-house the women of the family are engaged in rearing silk-worms.

Rice is the chief produce of Higo, and commands the highest prices in the markets of Japan.

Cotton and tobacco are also cultivated. The fine-cut smoking tobacco of Kumamoto is second only, in favor to that of Satsuma.

The tea plant is grown in abundance everywhere. The timber of Kin Shiu is very fine, and adapted to almost any use. Bamboo grows to a very large size, and is utilized in numberless ways, besides the root being a favorite article of food.

Wheat, barley, millet, and all the vegetables known to Japan are produced in Higo. When its chief port is opened to the foreigners its people will become more than ever prosperous.

ALEXANDER C. JONES,
Consul.

CONSULATE OF THE UNITED STATES,
Nagasaki, April 17, 1884.

PUBLIC INSTRUCTION IN SPAIN.

REPORT BY CONSUL-GENERAL REED, OF MADRID.

It is not an easy task to write a report on the state of public instruction in Spain, as well for the want of statistical data, especially in regard to superior instruction, as for the continuous changes to which this important branch of the public administration has been subjected by the political state of the country for many years past.

There can be no political movement in Spain, and unfortunately such movements are of frequent occurrence, without inflicting a serious blow upon public instruction, since traditionalism persists in keeping instruction under the control and direction of the state. It is true that certain reformers have worked without rest in the endeavor to emancipate it from the yoke of state, but on account of the frequent political changes, their efforts, generally speaking, have been of little avail, as will be seen later on.

The law of the 9th September, 1857, which is still in force, may be considered as the basis of the present system of public instruction; and I cannot better illustrate the provisions of this law than by the following extract taken from a report made in 1883, by Mr. de Bunsen, second secretary of the British legation at this capital. The extract also contains interesting data in regard to matters connected with the public primary schools:

The design of the author, Don Claudio Moyano, who has recently been elected as the representative of the Central University of Madrid, in the Upper House of the Cortes, appears to have been to establish, by means of this one act, a comprehensive and highly complex system, according to which every child in Spain should pass through a regular course of instruction, laid down in all its details by law, and be turned out at the end endowed, after his capacities, with the knowledge to which the state might think fit to limit his studies. Every Spaniard was to be educated, but none might presume to teach or be taught in a school at variance with the strict conditions of the law.

All were to be cast in the same mold, and the existing state of things in Spain was not to be exposed to the reforms and revolutions which had elsewhere sprung from the indiscriminate and unrestricted education of the masses.

The nominal head of the Spanish system of education is the minister of fomento, a department of the Government which further includes agriculture, public works, and other objects connected with the development of the resources of the country. It is among the duties of that cabinet minister to advise the Crown to countersign royal decrees relating to education, and to issue the diplomas for the university degree of doctors.

But the practical supervision and working of the educational machine is intrusted to the director general of public instruction, whose offices form one of the leading divisions of the ministry of fomento. The gentleman occupying that post exercises a general control, through the regular channels described below, over the primary, secondary, and superior instruction of the whole country. He is assisted by the royal council of public instruction, composed of thirty members, besides its president. Among the *ex officio* members of that body are the director-general himself and the rector of the Central University of Madrid. The majority of the council is named by the Government from men possessing certain special qualifications of university teaching, &c. The whole constitutes a consultative body, to be heard by the Government in drawing up new general regulations, establishing or suppressing educational institutions and professional chairs, and sanctioning programmes of instruction and text-books.

Spain is divided, for educational purposes, into the following university districts: Madrid, Barcelona, Valencia, Sevilla, Granada, Valladolid, Santiago, Saragossa, Salamanca, and Oviedo; and the rectors of these ten universities are the connecting links between the educational systems of their respective districts, and the Central Government of Madrid. It is the duty of a rector, independently of his more immediate concern with the university of which he is the chief, to see that all the schools and colleges within his district are managed as the law directs; to report on their condition to the director-general, and to give publicity to the decrees of the executive relating to education. He presides over a consultative university council, composed of the deans of the faculties, directors of superior schools, and other nominees of the Government. The functions of that board are analogous to those of the Royal Council.

Each university district has likewise been provided with a Government inspector by royal decree of the 4th March, 1832. Before that date there existed only five such inspectors, who were quite unequal to the task they were expected to perform. Each of the new inspectors is now required to visit every educational establishment within his district, with the exception of the primary schools, at least once in the course of every year. The salary is £100 a year, besides traveling expenses.

A university district includes several provinces, at the capital of each of which the central government, or, rather, the rector of the university at the head of the district, is represented officially by the civil governor of the province, who is the chairman of a provincial school board (*Junta de instruccion publica*), consisting, besides himself, of a provincial deputy, a member of the municipality, the school inspector of the province, an ecclesiastical nominee of the bishop, and several fathers of families. These members of the board are all approved by the Government, which chooses most of them from lists of three submitted by the civil governor.

The arm of the Government reaches the separate municipal districts in the person of the mayor (*alcalde*), who is assisted by a board of primary instruction, nominated by the civil governor of the province, one member of which must be a priest. Such was the educational hierarchy provided for by the act of 1857.

The different kinds of instruction obtainable were classified under three main headings, viz, primary, secondary, and superior instruction.

Primary schools were placed under the special charge of the municipalities, every town of 500 inhabitants being obliged to maintain at least one, and every town of 2,000 inhabitants at least two such schools, besides an equal number of schools for girls. An additional primary school, private or public, was imposed by law for every additional 2,000 inhabitants. Villages of less than 500 souls were to combine to form school districts.

Parents or guardians were called upon by the act to send their children or wards, between the ages of six and nine years, to a public primary school, unless adequate provision should have been made for their education in a private establishment or at home. Defaulters were to be first admonished by the municipal authorities, and finally punished, if necessary, by fines of from 5*d.* to 4*s.* 5*d.* But the articles relating to this part of the subject remained a dead letter from the first, and no parent is, in point of fact, compelled or even asked to send his son to school.

Public primary schools are paid for by the municipalities, in so far as their maintenance requires funds over and above any endowments they may possess and the quota paid by the pupils. As the revenue derived from these independent sources

is very limited the municipalities have had to bear the chief weight of the burden. The total expenditure provided for by the united municipal budgets of Spain for the financial year, 1879-'80 for the purposes of primary education was £871,155. The provinces further contributed a total sum of £70,435, the bulk of that amount going towards the maintenance of normal schools for masters and mistresses and inhelping some of the most needy of that class in the public primary schools. According to the law of 1857 the central government at Madrid is bound to assist the most poverty-stricken municipalities with an annual contribution of at least £10,000 to be spent in school buildings. In the budget for the current financial year £6,000 have been applied to that object; but that sum is to be raised in the ensuing budget to £10,000, in addition to which a further sum of £10,000 will be set apart for increasing the salaries of the masters.

It appears then that the total annual sum set apart for primary instruction in the budgets of the municipalities, the forty-nine provinces, and the central government amounts to less than £950,000.

Public primary instruction is free of charge for all children whose parents or guardians are certified by the parish priest and alcalde to be unable to pay. Very full advantage appears to have been taken of this exemption, for, according to the statistics of the year 1880, only 333,545 of the 1,442,577 children on the books of the public primary schools paid anything for their instruction. In other words, about 76 per cent. were then receiving their instruction gratuitously. In the private primary schools the free pupils amounted to only 45 per cent., 225,462 paying, and 101,017 not paying for their instruction. Many of these private institutions take in a number of pupils free of charge, being enabled by means of charitable endowments and contributions to meet the extra expenditure thus incurred.

The fees to be paid in the public primary schools are determined by the municipal boards of primary instruction, subject to the sanction of the provincial school board. According to the best statistics obtainable between 1870 and 1880 the average annual charge on the solvent class of pupils is as nearly as possible 4s. 9d. per head, equal to about 1s. 1d. a week, and an annual sum of about £86,000 pounds for the whole of Spain is derived from these fees.

They are in some cases paid directly to the masters, but more commonly to the municipalities, which, in the latter case, engage to pay the master a fixed additional salary. For the purpose of comparison, it may be stated that the London school board charges an average weekly fee of 2s. 2d., raising about £100,00 a year in school fees.

Instruction in the Roman Catholic religion is compulsory only in the public primary schools.

Besides exercising a general control by means of the machinery described above, the Government appoints primary school inspectors, whose duty it is to visit those establishments and to report on their condition. There are 51 of these inspectors, i. e., one for each of the 49 provinces, one for the town of Madrid, and one for the town of Barcelona. But this number is quite inadequate, and the work of inspection has been much neglected.

Thus, during the period of ten years, from 1870 to 1880, only 44,852 visits of inspection were made, or, in other words, each of the 29,828 public and private primary schools existing in 1880 was visited on an average about once in five years.

It is not proposed in this report to go into the details of higher education in Spain, but the following paragraphs will give an idea of the system on which it is conducted.

The course of instruction in the primary schools is intended as a preparation for the "Institutos," or secondary schools. There must be at least one public school of this class in every province, whatever may be the number of private establishments. The expense is borne by the provinces, except in the case of Madrid, where there are two "Institutos" supported by the Central Government. The fees paid by the students are sufficient to cover the greater part of the cost of these establishments, for the number of the students is very high, several thousands of names being included on the lists of the larger "Institutos." Schools of this class are indeed more like universities in their organization and management.

Students are admitted to the ten universities of Spain after gaining the degree of "Bachelor," which is conferred at the end of their course of study in one of the institutes. The university career is divided into two courses, the first of which terminates with the degree of "Licenciado," and the second with the degree of "Doctor." Of the 15,732 students on the books of the Spanish universities 6,659 are studying medicine, 5,917 law, 1,915 pharmacy, 680 sciences, and only 561 philosophy and letters.

The annual cost of the universities to the state, if the figures of the last budget may be accepted as an average, is about £130,000, but the burden to the state is in reality much lighter, for a large sum is derived annually from the various university fees, though in the budgets that sum is not deducted from the figures showing the cost of the universities. The Government also supports a number of scientific and artistic institutions, such as the various schools of engineering, agriculture, archi-

ture, fine arts, music, &c. Of these, the engineering schools, and the Agricultural Institute of Madrid, are provided for outside the regular education budget, under other departments of the ministry of fomento.

The latest statistics on the subject is the report of the direction-general of public instruction published in 1883, and comprising the years 1871 to 31st December, 1880, a copy of which I beg to transmit herewith under separate cover, together with a copy of the general regulations in regard to public instruction in Spain.

As a matter of convenience I have prepared from this report the following statistics as to the number of schools, pupils, &c.:

PUBLIC SCHOOLS.

At the close of the year 1880 there were 23,132 public schools, of which 8,163 were for boys, 6,671 for girls, and 7,151 mixed (*i. e.*, for boys and girls), 317 for small children (*parvulos*), 781 for adults, and 19 Dominican. Of these schools 15,564 were under the charge of masters and 6,768 were under the direction of mistresses, including those for small children.

The province of Leon is credited with the greater number of public schools, it having 1,287, while that of Cadiz is credited with having the least number, viz, 163. The average number of schools for each province is about 472, and the average number of pupils for each school is about 723.

PRIVATE SCHOOLS.

At the close of 1880 there were 6,696 private schools, among which 468 were for small children, "parvulos" 1,208 for adults, and 225 "Dominican."

The province of Barcelona ranks first in the number of private schools, and that of Huesca last; the first having 902, and the latter 17. The average is one school for about every 2,498 inhabitants.

PUBLIC AND PRIVATE SCHOOLS.

There were 29,828 public and private schools in 1880, which, compared with the number of inhabitants, gives an average of about 560 pupils for each school.

According to the regulations of the present law there should be 27,126 public schools, but there are only 23,132 or 3,994 less than the number required by the strict letter of the law.

During the decade (1871-1880) 1,714 public and 4,714 private schools were established. During the same period 102 schools were suppressed by the municipal authorities.

SCHOOL BUILDINGS.

At the close of 1880 there were 22,327 school buildings, of which 4,933 were in good condition, 11,265 regular, and 6,129 in a ruinous state. Of these buildings 9,127 were rented, and the remainder belonged to the state or to the municipalities.

Of the 23,132 public schools 13,269 were entirely free, while in 9,863 the pupil paid for his tuition.

MASTERS.

There were at the close of 1880 23,783 school masters, of which 323 had normal titles, 3,469 superior titles, 12,290 elemental titles, 5,367 certificates of aptitude, and 2,234 without title or certificate.

There were 1,273 "masters" and 26 "mistresses," who received a salary of less than \$25 per annum. I may here remark that all the masters are poorly paid for their services, a very limited number receiving as much as \$250 per annum.

NUMBER OF PUPILS.

At the beginning of the fall term of 1880 there were 1,442,577 pupils on the books of the public primary schools. Of this number 848,561 were boys, and 594,016 were girls, and 1,029,693 of the total number, or about 71 per cent., were present on the opening day of the term.

At the same period there were 326,879 pupils on the books of the private schools, of which 150,522 were boys and 176,357 were girls. About 265,561, or 81 per cent. of the total number were present on the opening day. No statistics are published showing the average daily attendance of the pupils either at the public or private schools.

The province of Barcelona is credited with having the largest number of pupils of both sexes at the private schools.

EXPENSES OF PUBLIC PRIMARY SCHOOLS.

The expense incurred by the municipal authorities in maintaining the primary schools is put down at 21,040,562 pesetas per annum, or \$4,060,828.46 United States money, and the receipts at 1,357,093 pesetas or \$261,918.94 per annum in money of the United States.

RELIGIOUS SCHOOLS.

At the close of the year 1880, the religious communities had 1,050 public and private schools. There are also deaf and dumb schools as well as schools for the blind.

MILITARY AND NAVAL SCHOOLS.

In addition to the above there are also several military and naval schools, viz, the Special Academy of Chief of Staff of the Army, at Madrid; the General Military Academy, at Toledo; the Central Practice [shooting] School, at the Pardo; the Artillery Academy, at Segovia; the Military Academy of Engineers, at Guadalajara; the Cavalry Academy, at Valladolid; the Military Academy of Administration, at Avila; the Floating Naval School, at Ferrol; the Naval Academy of Artillery, at San Fernando; the Naval Academy of Engineers, at Ferrol; the Academy of Naval Administration, at Carthagea; the General Central School of Marine Infantry, at San Fernando, and the Academy of Superior Studies, established in the observatory at San Fernando. There is also the Agricultural Institute and the School of Forest Engineers.

CONCLUDING REMARKS.

The law of 1857 upon which, as you will have seen, the present system of public instruction is based, might not be considered on the whole

as defective were it not that it especially directs how the pupil shall be taught, confines the master to certain limits beyond which he must not venture, and makes the use of authorized text-books obligatory. It goes without saying that a master who has his course mapped out for him and is obliged to use certain text-books, cannot be expected to interest himself to any very great extent in the education of his pupils. For instance, as Mr. de Bunsen says:

At the great institutes of secondary instruction at Madrid, attended by boys of between ten and seventeen years of age, the lessons are given on the plan of university lectures. The professor knows nothing of the class he is teaching, which is made up exclusively of out-boarders. There are no personal relations between them, and he brings no influence to bear on their general character or manners. The classes are too numerous and unwieldy to admit of any attempt on the professor's part to devote a portion of his time to each pupil individually. He takes his seat and delivers a rambling and dogmatic lecture, lasting an hour and a half, generally without putting any questions, and seldom attracting the attention of his pupils. Notes are rarely taken, and no written exercises are required. There is no system of rewards or punishments, and the annual examinations, like the examinations for the bachelor's degree, which has to be passed before entering the university, are so carelessly and inefficiently conducted that all who possess the merest smattering of knowledge are certain of passing. Examinations are all *viva voce*, and supply no adequate test of the attainments of the candidates.

But during the revolutionary period of 1868-75 many radical changes were made in the educational system of the country, and Señor Zorrilla, the first minister of fomento under the provisional government, lost no time in giving to the master entire liberty to teach his pupil in the manner he deemed best adapted to the pupil's condition and advancement. The law of the 21st October, 1868, declared primary, secondary, and superior instruction free throughout Spain, and again quoting from Mr. de Bunsen's report under this law:

Any Spaniard might establish an educational institution and teach as he thought fit. No one was to be compelled to attend a school in order to qualify for the examinations, which were to judge of results only however attained, and were to be conducted with great strictness and impartiality by examiners representing private as well as public educational establishments. In the universities degrees were to be conferred on examination without exacting any definite period of previous study. Masters and professors might use whatever text-books they chose, and were to be relieved from the obligation to submit their proposed course of study to the director of public instruction. The faculty of theology was abolished at the universities.

But the downfall of the provisional government was also the downfall of the reforms which had been introduced under its direction, as almost immediately on the advent of Don Alfonso XII, a royal decree was issued abolishing the so-called "revolutionary legislation," and again enforcing the use of "authorized text-books only," and directing the professors and masters to submit their programmes of study to the Government. * * * The result was that seventeen of the most eminent among the university professors at once declared that they would not comply with this royal decree, and they were consequently removed by the Government. Castelar and Moret were among the number of professors thus removed, and although public opinion declared itself in favor of the professors who had been removed, the government of Señor Canovas was strong enough to carry its plans into effect, and continued to do so until the advent to power of Señor Sagasta on the 8th February, 1881.

The government of Señor Sagasta differed in its views on public instruction from that of Señor Canovas. The ministry of fomento was occupied by Señor Albareda, and Señor Riaño, one of the most distinguished scholars of Spain, was appointed director general of public

instruction. No better selection for this important branch of the ministry of fomento could have been made, as has been clearly shown by the administration of Mr. Riaño during the two years and a half that he remained at its head.

The government of Señor Sagasta seriously faced, under the able direction of Señores Alvareda and Riaño, the problem of education. One of its first acts was to restore to their chairs the professors who had been removed under the Canovas government for the reasons already stated. And although no decree was issued abolishing the "official programmes" and "authorized text-books," these professors were allowed to teach as they thought fit, and during Señor Sagasta's administration, according to Mr. de Bunsen's report, "no questions were asked as to the text-books employed or the course of studies pursued in any Spanish school or university." Masters under the old régime were left for months without their salaries being paid, the arrears in February, 1881, amounting to no less than \$1,000,000. These salaries, although small, were their only means of support, and by the irregular payment of them the masters and their families were placed in the most embarrassing and pitiful position. The Sagasta government saw the injustice of this treatment, and a royal decree was issued providing for the regular payment of the masters' salaries by the municipal authorities. Many other orders and decrees tending to the improvement of public instruction were issued by the Sagasta government, and, as it would seem, have produced beneficial results. Señor Canovas returned to power in January last, and the reformers of public instruction are fearful that the old system will be brought into use again. * * *

A glance at the following table, prepared by Mr. de Bunsen, and based on the census of 1877 (the last published), will show the lamentable results of the system of education in Spain at least up to date:

Description.	Males.	Females.	Total.
Able to read	210, 930	368, 048	578, 978
Able to read and write	2, 823, 964	1, 247, 859	4, 071, 823
Unable to read	5, 098, 758	6, 881, 410	11, 978, 168
Doubtful	2, 679	2, 697	5, 376
	8, 134, 331	8, 500, 014	16, 634, 345

After deducting from the total population 2,413,438 boys and 2,350,193 girls below the age of 12, inclusive, it appears that there was in Spain in 1877 a population of 11,870,714 persons above that age, and that of these no less than 7,214,537 (viz, 2,683,320 males and 4,531,217 females), or about 60 per cent. were unable to read.

The following statistics, taken from the annual report (just published) of the Central University of Madrid for the year 1881-'82, may be of interest:

There were 370 students studying philosophy and letters; 2183 law; 310 science; 2,585 medicine, and 1,265 pharmacy. There were graduated 568 licentiates and 278 doctors.

The expenses incurred amounted to 962,590 pesetas, or \$185,779.87 in money of the United States, and the receipts to 1,036,205.25 pesetas or \$199,987.61, showing a difference of receipts over expenses of 73,615.25 pesetas, or \$14,207.74.

The press has lately made bitter complaints against the buildings occupied by the public primary schools. It seems that nearly all these buildings were erected for private residences and, without suitable reforms being made, converted into public school houses by the municipal

authorities. This is particularly true in regard to Madrid, and according to the press it is generally true as regards the school buildings throughout Spain. Exorbitant rents are exacted and paid for these buildings, and if the press may be relied upon, these rents would, in the course of ten years, amount to a sum sufficient to erect suitable school-houses not only at Madrid, but also in every province of the peninsula. The attention of the minister of fomento has been called to this fact, and he is urged at the same time, not only on account of the influence it would have upon public culture, but also on account of hygiene, to present to the Cortes a law providing for the erection of school buildings after the plan of those erected in other European countries and in the United States.

A large field is open to the present minister of fomento to show his zeal and interest in public instruction, and as he has public opinion, the press of his own party, and the press of the opposition to sustain him, it is hoped that he will avail himself of the occasion and adopt such measures as will tend to bring about the much needed and greatly desired reforms. * * * Something has already been done in this direction [improvement of the educational system through private enterprise] by the establishment in 1876 of the "Free Institute" at Madrid. This institution was founded by the professors already referred to, who had been removed from their university chairs by the government of Señor Canovas, and was designed as a means of escape from the rigid forms of the state educational system and to teach on a liberal and independent plan. It has been very successful and a sketch of its foundation and of its system of teaching, taken from Mr. de Buusen's report, may not be out of place:

It was founded in 1876, the necessary funds being raised by the issue of shares to the amount of £7,000. A Board of Directors, composed of prominent men of all political parties, and presided over by Señor Moret, is charged with its general administration, while its education management is in the hands of a board of nine of its forty-two professors. There are now about three hundred names on the books. The greater part of the boys are between the ages of ten and fifteen, but some remain till the age of eighteen. All are out-boarders, belonging to a well-to-do middle class and paying from 12s. to 17s. a month. Children from five years upwards are also taken in, and special attention is devoted to their education.

The general system upon which this institute is based is completely novel. The whole plan of studies is embraced in the curriculum of every term, instead of a given subject being finished off to make way for another. The difference between the instruction which is given in the higher and lower classes lies, therefore, not in its subject-matter, but in the degree to which the subject-matter is developed. Thus, for instance, the younger pupils, as well as the older ones, are taken to the national picture gallery for lectures on art, but whereas the former have pointed out to them the broader and more general characteristics of the various schools, the lectures which are given to the latter comprise a much more minute and detailed examination of the same ground.

Besides receiving a general State education, with a view to obtaining the degree of bachelor by examination at a public institute, the boys are instructed in music, the fine arts, gymnastics, carpentering, and other accomplishments. They are encouraged to devote some of their spare time to athletic games, and great care is spent on such details as cleanliness, neatness in dress, and orderly behavior—points which at the public schools of Spain are completely neglected. The pupils are taught in small classes, and associate on terms of intimacy and friendship with the masters. Each boy is taken once or twice a week to visit one of the museums, factories, workshops, courts of law, or public departments of the Government at Madrid. Holidays in term time are devoted to expeditions to points of scientific or historical interest within easy reach of the capital, and the regular holidays in the summer months are spent in similar expeditions, not unlike "reading parties," to remote parts of Spain. The extra expenditure on this account is met by donations, the boys themselves paying as far as they are able. Such expeditions are carefully mapped out and prepared for by a special course of study beforehand, with a view to the composition of detailed essays by the boys on their return to school.

The "free institute" has been so successful, as compared with other schools, in raising the general intelligence of its pupils, and its somewhat ideal methods have already produced such excellent results, that it is beginning to attract very general attention. Funds are now being raised for providing the institute with a suitable building, which is to accommodate from 400 to 500 pupils, and which will bring the establishment still more prominently before the public.

DWIGHT T. REED,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Madrid, May 19, 1884.

SILK HARVEST OF 1884.

REPORT BY CONSUL PEIXOTTO, OF LYONS.

The following is the latest intelligence received to this date concerning the silk harvests of this season.

France.—The educations destined for seed are in the third and fourth age in the Department of the Pyrénées Orientales, and look well. In the Gard, Southern Ardèche Bouches-du-Rhone, the Var, and a portion of the Vaucluse, the second age has been passed. In other sections of these departments the educations are backward, owing to the cold weather. In the Departments of the Isère, Drome, and Northern Ardèche, as well as in the Upper Cévennes, the season is still more behind; warm weather and rain are greatly needed. Frosts have caused considerable injury at several points, notably in the low lying sections and along river borders.

Italy.—Worms are at the second age in the South and Center, at the first in Venetia and the plains of Lombardy, and only hatching in Upper Lombardy and Piedmont. Vegetation progressive, and mulberry leaves show well throughout the kingdom.

Spain.—The fourth age has been passed prosperously. In the Murcie district the flacherie has, as in late years, occasioned injury. Cocoons are expected this week in market. Valence presents advanced conditions. The Spanish silk crop bids fair and will be the earliest harvested.

Syria.—Worms approaching the third age on the low lands, and are in the first and second in the mountainous regions. No complaints.

China.—Telegrams to 1st of May announce a greatly reduced crop, owing to the bad season. I may add also to the general prevalence of disease in the silk worm. The first Canton crop has been gathered and is reported the smallest ever known.

Résumé.—Though too early to make an estimate, all indications favor a fair if not abundant European crop. The latter for France is impossible, owing to diminished seeding.

BENJAMIN F. PEIXOTTO,
Consul.

UNITED STATES CONSULATE,
Lyons, May 6, 1884.

COMMERCE AND NAVIGATION OF NEWCHWANG FOR 1883.

REPORT BY VICE-CONSUL BANDINEL, OF NEWCHWANG.

IMPORTS.

Cotton goods.—There has been a decrease in the following articles: *Gray shirtings*, which have to contend with the greater durability of drills and sheetings, and the lower prices of T-cloths; *white shirtings*, which in former years were much used in summer clothes, as they were fairly thick, looked well, and washed well; but are now flimsy, roughly made, and will not stand washing; *English sheetings*, for which better rates could be obtained elsewhere.

On the other hand there has been an increase in the following articles: *T-cloths*, which, when dyed, have a large consumption owing to their cheapness; *American drills and sheetings*, which can be used both dyed and undyed. They are wider and cheaper than nankeens, and more durable than shirtings or T-cloths; their consumption is spreading among the villagers, who find it advantageous to sell their home-made cloths and invest the proceeds in American cotton *handkerchiefs*, which are now retailed at the same price as the Chinese article. A new and larger description has been recently imported, and is being used by the natives to wrap their bundles in; the Chinese cloth used for that purpose being very roughly made, and four times the price. *Chintzes*, of which several new and gaudy patterns were imported, suitable for coverlets, funeral trappings, and New Year presents.

Woolen goods.—The consumption of camlets has increased at the expense apparently of Spanish stripes and Russian cloth, being more durable than the one and less expensive than the other. It has been extensively purchased by the soldiers, with whom it is a favorite clothing material.

Metals.—There is a very noticeable decrease in tin-plates, which are suffering from over importation in 1882, from the lower rates at which copper, lead, and tin, can now be purchased, and from the utilization by the tin-smiths of the tin-lined cases in which so many foreign goods are packed. Iron wire has decreased very slightly. In all other kinds there is a great increase. Hoops are used now for casks, buckets, and many other articles, which were formerly bound with twine or bamboo; and speaking generally, it is found more expensive to mine the native than to import the foreign iron. I am informed, however, that the up country markets are overstocked, which may lead to a diminished import in 1884.

Sundries.—There has been a decrease in the following articles: *Matches and needles*, the import of which in 1881 and 1882 exceeded the consumption, and *raw cotton*, the local crops of which were very good in 1883, succeeding a failure in 1882; and an increase in the following: *Brown sugar*, the consumption of which was stimulated by the low price; *rice*, the native crop of which was light; *sapanwood*, which is much used in the vicinity of Kirin for dyeing clothes; *dyes and colors*, principally red and green, which are easier to use, brighter and cheaper, though less durable than the native colors. A certain portion of these and of *brass buttons* find their way overland to Corea. *Paints*, which are lighter and cheaper than the native article.

EXPORTS.

A decrease may be noted in the following articles: *Bean oil*, which suffered from the competition of rape oil in the southern markets; *sesamum seed*, of which the crop was small; *wild, raw, and refuse silk*, which were too dear for profitable export, and *skins and skin rugs*, for which there was very little demand in Shanghai. An increase may be noted in the following articles: *Shamshu* (spirits) and *pearl barley*, which were unusually cheap; *beans*, the export of which was stimulated by low cost, cheap freights, and good selling prices in spring and summer; *bean cakes*, which were largely exported in the autumn, owing to the sudden advance in the bean market.

NAVIGATION.

These tables, when compared with those for 1882, show an increase in steamers of fifteen vessels and 21,006 tons and a decrease in sailing vessels of five vessels and 291 tons, being a total increase of ten vessels and 20,715 tons. The ice broke up on 22d March; the first steamer arrived on the 24th, the first sailing vessel on the 28th. The last sailing vessel left on the 22d November, the last steamer on the 24th. Ice first appeared in quantity on 24th November, but the river did not freeze across for another month.

Freights were lower than in the previous year, and eight vessels had to leave at the end of the season without obtaining cargoes, as the new beans were dear and scarce and in many cases imperfectly dried.

The quantity of imports and exports shows again an improvement and the result of the year's trade has been fairly satisfactory to the merchants. It seems as if the worst had passed and a steady improvement may now be annually expected.

The authorities have abolished the tax on carts mentioned in my last year's report, having found that the result did not answer to their expectation.

FRED'K BANDINEL,
Vice-Consul.

UNITED STATES CONSULATE,
New-Chwang, March 1, 1884.

COMMERCE OF GIBARA, CUBA.

Statement showing the imports at Gibara, Cuba, for the year ending December, 1883.

Description.	Value.	Where from.
General cargo.....	\$15,000	New York.
Do.....	2,738	Do.
Do.....	2,100	Do.
Do.....	2,300	Do.
Do.....	2,250	Do.
Machinery.....	2,000	Philadelphia.
General cargo.....	14,024	New York.
P. P. lumber.....	2,162	Savannah.
Total.....	42,474	

Statement showing the exports from Gibara, Cuba, for the year ending December, 1883.

Description.	Quantity.	Value.	Whither exported.
Muscovado sugar	hogsheads.. 20	\$1,757 86	St. George, Bermuda.
Melada	barrels.. 22		
Molasses	hogsheads.. 22		
Centrifugal sugar	do. 556	39,894 50	New York.
Honey	tierces.. 5	180	Do.
Centrifugal sugar	hogsheads.. 570	45,514 26	Do.
Do	do. 608	56,296 53	Do.
Do	do. 640	63,750 53	Do.
Do	bags.. 220		
Do	hogsheads.. 899		
Do	bags.. 100	40,809 90	Do.
Molasses	hogsheads.. 38		
Muscovado sugar	do. 15		
Molasses	do. 150	4,058 86	Delaware Breakwater.
Sugar	do. 480	23,022 94	Do.
Muscovado sugar	do. 94	6,145 60	New York.
Melada	do. 6	9,301 06	Gibraltar.
Leaf tobacco	bales.. 300		
Do	do. 751		
Molasses	hogsheads.. 8	235 55	New York.
Muscovado sugar	do. 122	21,898 67	Do.
Melada	do. 173		
Molasses	do. 60		
Do	tierces.. 15	8,075 90	Do.
Do	barrels.. 25		
Fustic	tons.. 2		
Muscovado sugar	hogsheads.. 22	5,125 61	Do.
Melada	do. 156		
Muscovado sugar	do. 60		
Melada	do. 6	1,299 25	New York, in transit for Bremen.
Molasses	do. 10		
Leaf tobacco	bales.. 70		
Fustic	tons.. 15	343 93	New York.
Lignum vitae	do. 2½		
Total		351,665 71	

Statement showing the imports and exports between Gibara, Cuba, and the United States for the year 1883.

Articles.	Imports from the United States.		Exports to the United States.	
	Amount.	Value.	Amount.	Value.
Provisions	cargoes.. 6	\$38,312		
Machinery	do. 1	2,000		
P. P. lumber	do. 1	2,162		
Centrifugal sugar	hogsheads..		8,283	\$819,952 78
Muscovado sugar	bags..		320	
Molasses	hogsheads..		313	
Molasses	do. 206		206	
Honey	tierces..		5	
Melada	hogsheads..		341	
Fustic	tons.. 17		17	
Lignum vitae	do. 2½		2½	
		42,474		819,952 78

NOTE.—As all the invoices are mixed up, hence it is very hard to separate price for value of each article.

160 PROHIBITION OF AMERICAN CANNED BEEF IN HUNGARY.

Statement showing the navigation at the port of Gibara, Cuba, for the year ending December, 1883.

ENTERED.

Flag.	From or to—	Steamers.		Sailing.		Total.	
		No.	Tons.	No.	Tons.	No.	Tons.
American.....	Matanzas			2	895	2	895
Do.....	New York			5	1,421	5	1,421
Do.....	Philadelphia			1	661	1	661
Do.....	Savannah			1	188	1	188
British	New York			1	180	1	180
				10	3,345	10	3,345

CLEARED.

Flag.	From or to—	Steamers.		Sailing.		Total.	
		No.	Tons.	No.	Tons.	No.	Tons.
American.....	Matanzas			2	895	2	895
Do.....	New York			5	1,421	5	1,421
Do.....	Philadelphia			1	661	1	661
Do.....	Savannah			1	188	1	188
British	New York			1	180	1	180
				10	3,345	10	3,345

NOTE.—All the steamers coming in are coastwise, and all Spanish, and about ten in number. All make a regular run; some once a month, others twice, and others thrice. Their tonnage runs from 1,000 and upwards. Part of them run from Havana to Santiago de Cuba, and the remainder from said port to Porto Rico, St. Thomas, and as far as Colon, and back by the same route.

JOSE H. BEOLA,
Consular Agent.

PROHIBITION OF AMERICAN CANNED CORNED BEEF IN HUNGARY.

TWO REPORTS BY CONSUL STERNE, OF BUDAPESTH.

FIRST REPORT.

With this I wish to correct a certain statement in my dispatch No. 74, saying that American canned beef is being sold in this market.

Since mailing the above dispatch I have discovered that the importation of American canned "corned" beef into Hungary has lately been prohibited in consequence of a decision of the State sanitary council, which declares:

That the shape of this article, as imported, makes it impossible to determine by the present chemical or microscopical inspection whether the animals, the source of such beef, were in the necessary healthy condition just previous to being slaughtered; that the consuming public can, therefore, not be assured as to the fact whether such beef does not contain elements which may prove detrimental to the health of human beings.

By personal inquiry at stores where formerly I had seen the article exposed and offered for sale I have found that the sale of such beef is now forbidden. It is true there is not much of this canned beef im-

ported here, nor do I see any prospect for an increase in the future. The direct effect upon the United States export trade by the Hungarian prohibition can, therefore, not be very serious, but, as in the workings of the late and present pork question, I fear all the more for the indirect or moral effect of the action of Hungary.

HENRY STERNE,
Consul.

UNITED STATES CONSULATE,
Budapesth, May 9, 1884.

SECOND REPORT.

After mailing dispatch dated May 9, I found cause to make further inquiries upon the subject of the same, and had already feared that in my zeal to give the Department prompt information I had been too hasty in sending my second dispatch.

While my further information is somewhat conflicting I find after all that I have not given a false alarm, but will now state more detailedly what I have done.

My dispatch No. 77 was prompted by reading a printed communication in a medical journal, giving a partial report of the past year's doings of the State sanitary council.

I at once made the personal inquiries mentioned in my No. 77, and these facts in connection with previous rumors to this end caused me to write the said dispatch.

Since then I made a few more such inquiries and found the ideas of the dealers in corned beef so conflicting as to the prohibition of the article that I concluded to call at the ministry of commerce to discover the exact state of the case. The Assistant Secretary of the ministry in my presence referred to the acts in the case and informs me that it is true that the State sanitary council passed the stated resolution, and that this action was duly approved of by the ministry of the interior, but that thus far his own ministry (that of commerce) has not yet acted upon the matter; in his own words, that it was taken *ad acta*.

However, not being satisfied how in the face of this statement an article like the inclosed clipping could be published, I called to-day upon one of the members of the State sanitary council, who informs me that the prohibition of the sale of American corned beef has become a law "in fact" by decree of the ministry of the interior, and that laws or decrees relating to sanitary matters like this do not require the further sanction of the ministry of commerce, they belonging to the sphere of the interior.

This state of the case explains to me why my information from dealers was so conflicting. Some of it was that the beef was actually forbidden to be imported and sold on account of the above decree; that the high duty imposed made the import and sale impossible, while all agreed that the frequent unfavorable allusions in the papers to the character of the beef has really stopped all inquiry and further sale, so that the houses which yet have small quantities on hand find it impossible to sell this article, and for the three stated reasons do not attempt to make any further purchases. It is permitted, however, to sell what stock there is on hand.

Under these circumstances it will of course be quite immaterial whether, finally, the ministry of commerce confirms the decree, for for

all practical purposes the importation of the beef is prohibited, since the sale of it has been forbidden. One reason, I suppose, why the matter is yet pending at the ministry of commerce may be the fact that to make importation impossible the joint action also of the Austrian Government is necessary.

These sanitary councils, by the way, are very good and convenient institutions in more senses than one, and it might be practicable for the United States to create one for permanent use.

I believe that in all the countries which have lately been discriminating against American articles of food sanitary councils have taken the initiatory action.

HENRY STERNE,
Consul.

UNITED STATES CONSULATE,
Budapesth, May 16, 1884.

TREATY BETWEEN GREAT BRITAIN AND COREA.

REPORTS BY MINISTER FOOTE, OF SEÖUL.

I have the honor to transmit herewith a copy of the English version of the treaty lately negotiated at Seöul by the plenipotentiary of Her Britannic Majesty and His Majesty the King of Corea, of which the treaty with Germany is a counterpart, together with the trade regulations and tariff rates. This treaty has already been ratified by the British Government, and will undoubtedly soon be confirmed by an exchange of ratifications. General trade regulations and tariff rates in accordance therewith will be decreed by the Government of Corea.

LUCIUS H. FOOTE,
Minister.

LEGATION OF THE UNITED STATES,
Seöul, Corea, March 28, 1884.

TREATY.

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, and His Majesty the King of Corea, being sincerely desirous of establishing permanent relations of friendship and commerce between their respective dominions, have resolved to conclude a treaty for that purpose, and have therefore named as their plenipotentiaries, that is to say:

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, Sir Harry Smith Parkes, knight grand cross of the most distinguished order of Saint Michael and Saint George, knight commander of the most honorable order of the bath, Her Majesty's envoy extraordinary and minister plenipotentiary to His Majesty the Emperor of China, His Majesty the King of Corea, Min Yong Mok president of His Majesty's foreign office, a dignitary of the first rank, senior vice-president of the council of State, member of His Majesty's privy council and junior guardian of the crown prince, who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon and concluded the following articles:

ARTICLE I.

1. There shall be perpetual peace and friendship between Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, her heirs and successors, and His Majesty, the King of Corea, his heirs, and successors, and between

their respective dominions and subjects who shall enjoy full security and protection for their persons and property within the dominions of the others.

2. In case of differences arising between one of the high contracting parties and a third power, the other high contracting party, if requested to do so, shall exert its good offices to bring about an amicable arrangement.

ARTICLE II.

1. The high contracting parties may each appoint a diplomatic representative to reside permanently or temporarily at the capital of the other, and may appoint a consul-general, consuls, or vice-consuls to reside at any or all of the ports or places of the other which are open to foreign commerce. The diplomatic representatives and consular functionaries of both countries shall freely enjoy the same facilities for communication, personally, or in writing, with the authorities of the country where they respectively reside, together with all other privileges and immunities as are enjoyed by diplomatic or consular functionaries in other countries.

2. The diplomatic representative and the consular functionaries of each power and the members of their official establishments shall have the right to travel freely in any part of the dominions of the other, and the Korean authorities shall furnish passports to such British officers traveling in Korea, and shall provide such escort for their protection as may be necessary.

3. The consular officers of both countries shall exercise their functions on receipt of due authorization from the sovereign or government of the country in which they respectively reside, and shall not be permitted to engage in trade.

ARTICLE III.

1. Jurisdiction over the persons and property of British subjects in Korea shall be vested exclusively in the duly authorized British judicial authorities, who shall hear and determine all cases brought against British or other foreign subjects by any British or other foreign subject or citizen without the intervention of the Korean authorities.

2. If the Korean authorities or a Korean subject make any charge or complaint against a British subject in Korea, the case shall be heard and decided by the British judicial authorities.

3. If the British authorities or a British subject make any charge or complaint against a Korean subject in Korea, the case shall be heard and decided by the Korean authorities.

4. A British subject who commits any offense in Korea shall be tried and punished by the British judicial authorities, according to the laws of Great Britain.

5. A Korean subject who commits in Korea any offence against a British subject shall be tried and punished by the Korean authorities, according to the laws of Korea.

6. Any complaint against a British subject involving a penalty or confiscation, by reason of any breach, either of this treaty, or of any regulation annexed thereto, or of any regulation that may hereafter be made in virtue of its provisions, shall be brought before the British judicial authorities for decision, and any penalty imposed, and all property confiscated in such cases, shall belong to the Korean Government.

7. British goods, when seized by the Korean authorities at an open port, shall be put under the seals of the Korean and the British consular authorities, and shall be detained by the former, until the British judicial authorities shall have given their decision. If this decision is in favor of the owner of the goods, they shall be immediately placed at the consul's disposal; but the owner shall be allowed to receive them at once on depositing their value with the Korean authorities pending the decision of the British judicial authorities.

8. In all cases, whether civil or criminal, tried either in Korean or British courts in Korea, a properly authorized official of the nationality of the plaintiff or prosecutor, shall be allowed to attend the hearing, and shall be treated with the courtesy due to his position; he shall be allowed, whenever he thinks it necessary, to call, examine, and cross-examine witnesses, and to protest against the proceedings or decision.

9. If a Korean subject who is charged with an offense against the laws of his country takes refuge on premises occupied by a British subject, or on board a British merchant vessel, the British consular authorities on receiving an application from the Korean authorities, shall take steps to have such person arrested and handed over to the latter for trial; but, without the consent of the proper British consular authority, no Korean officer shall enter the premises of any British subject without his consent, or go on board any British ship without consent of the officer in charge.

(10.) On the demand of any competent British consular authority, the Korean authorities shall arrest and deliver to the former any British subject charged with a criminal offense, and any deserter from a British ship or war or merchant vessel.

ARTICLE IV.

1. The ports of Chemulpo (Jenchuan), Wönsan (Gensan), and Pusan (Fusan); or if the latter port should not be approved, then such other port as may be selected in its neighborhood, together with the city of Hanjang, and the town of Yanghwa Chia, or such other place in its neighborhood as may be deemed desirable, shall, from the day upon which this treaty comes into operation, be opened to British commerce.

2. At the above-named places, British subjects shall have the right to rent or to purchase land or houses, and to erect dwellings, warehouses, and factories; they shall be allowed the free exercise of their religion, all arrangements for the selection, determination of the limits, and laying out of the sites of the foreign settlements, and for the sale of land at the various ports and places in Corea, open to foreign trade, shall be made by the Corean authorities in conjunction with the competent foreign authorities.

3. These sites shall be purchased from the owners and prepared for occupation by the Corean Government, and the expense thus incurred, shall be a first charge on the proceeds of the sale of the land. The yearly rental agreed upon by the Corean authorities, in conjunction with the foreign authorities, shall be paid to the former, who shall retain a fixed amount thereof, as a fair equivalent for the land tax, and the remainder, together with any balance left from the proceeds of land sales, shall belong to a municipal fund, to be administered by a council, the constitution of which shall be determined hereafter by the Corean authorities in conjunction with the competent foreign authorities.

4. British subjects may rent or purchase land or houses beyond the limits of the foreign settlements and within a distance of ten Corean li from the same; but, all land so occupied shall be subject to such conditions, as to the observance of Corean local regulations, and payment of land tax as the Corean authorities may see fit to impose.

5. The Corean authorities will set apart, free of cost, at each of the places open to trade, a suitable piece of ground as a foreign cemetery, upon which no rent, land tax, or other charges shall be payable, and the management of which shall be left to the municipal council above mentioned.

6. British subjects shall be allowed to go where they please without passports within a distance of one hundred Corean li from any of the ports and places open to trade, or within such limits as may be agreed upon between the competent authorities of both countries. British subjects are also authorized to travel in Corea for pleasure or for purposes of trade; to transport and sell goods of all kinds, except books and other printed matter disapproved of by the Corean Government; and to purchase native produce in all parts of the country under passports, which will be issued by their consuls and countersigned or sealed by the Corean local authorities. These passports, if demanded, must be produced for examination in the districts passed through. If the passport be not irregular the bearer will be allowed to proceed, and shall be at liberty to procure such means of transport as he may require. Any British subject traveling beyond the limits above named without a passport, or committing, when in the interior, any offense, shall be arrested and handed over to the nearest British consul for punishment. Traveling beyond the said limits without a passport will render the offender liable to a fine not exceeding one hundred Mexican dollars, with or without imprisonment for a term not exceeding one month.

7. British subjects in Corea shall be amenable to such municipal, police, and other regulations for the maintenance of peace, order, and good government as may be agreed upon by the competent authorities of both countries.

ARTICLE V.

1. At each of the ports or places open to foreign trade British subjects shall be at full liberty to import from any foreign port or from any Corean open port, to sell to or buy from any Corean subjects or others, and to export to any foreign or Corean open ports all kinds of merchandise not prohibited by this treaty, on paying the duties of the tariff annexed thereto. They may freely transact their business with Corean subjects or others without the intervention of Corean officials or other persons, and they may freely engage in any industrial pursuits.

2. The owners or consignees of all goods imported from any foreign port, upon which the duty of the aforesaid tariff shall have been paid, shall be entitled, on re-exporting the same to any foreign port at any time within thirteen Corean months of the date of importation, to receive a drawback certificate for the amount of such import duty, provided that the original packages containing such goods remain intact. These drawback certificates shall either be redeemed by the Corean customs, on demand, or they shall be received in payment of duty at any Corean open port.

3. The duty paid on Corean goods, when carried from one Corean open port to another, shall be refunded at the port of shipment on production of a customs certificate

showing that the goods have arrived at the port of destination, or on satisfactory proof being produced of the loss of the goods by shipwreck.

4. All goods imported into Corea by British subjects, and on which the duty of the tariff annexed to this treaty shall have been paid, may be conveyed to any Korean open port free of duty, and when transported into the interior shall not be subject to any additional tax, excise, or transit duty whatever in any port of the country. In like manner full freedom shall be allowed for the transport to the open ports of all Korean commodities intended for exportation, and such commodities shall not, either at the place of production or when being conveyed from any port of Corea to any of the open ports, be subject to the payment of any tax, excise, or transit duty whatever.

5. The Korean Government may charter British merchant vessels for the conveyance of goods or passengers to unopened ports in Corea, and Korean subjects shall have the same right, subject to the approval of their own authorities.

6. Whenever the Government of Corea shall have reason to apprehend a scarcity of food within the Kingdom His Majesty the King of Corea may by decree temporarily prohibit the export of grain to foreign countries from any or all of the Korean open ports, and such prohibition shall become binding on British subjects in Corea on the expiration of one month from the date on which it shall have been officially communicated by the Korean Government to the British consul at the port concerned, but shall not remain in force longer than is absolutely necessary.

7. All British ships shall pay tonnage dues at the rate of thirty cents (Mexican) per register ton. One such payment will entitle a vessel to visit any or all of the open ports in Corea during a period of four months without further charge. All tonnage dues shall be appropriated for the purposes of erecting light-houses and beacons and placing buoys on the Korean coasts, more especially at the approaches to the open ports, and in deepening or otherwise improving the anchorages. No tonnage dues shall be charged on boats employed at the open ports in landing or shipping cargo.

8. In order to carry into effect and secure the observance of the provisions of this treaty it is hereby agreed that the tariff and trade regulations hereto annexed shall come into operation simultaneously with this treaty. The competent authorities of the two countries may, from time to time, revise the said regulations, with a view to the insertion therein by mutual consent of such modification or additions as experience shall prove to be expedient.

ARTICLE VI.

Any British subject who smuggles or attempts to smuggle goods into any Korean port or place not open to foreign trade shall forfeit twice the value of such goods, and the goods shall be confiscated. The Korean local authorities may seize such goods and may arrest any British subject concerned in such smuggling or attempt to smuggle. They shall immediately forward any person so arrested to the nearest British consul for trial by the proper judicial authorities, and may detain such goods until the case shall have been finally adjudicated.

ARTICLE VII.

1. If a British ship be wrecked or stranded on the coast of Corea the local authorities shall immediately take steps to protect the ship and her cargo from plunder and all the persons belonging to her from ill-treatment, and to render such other assistance as may be required. They shall at once inform the nearest British consul of the occurrence, and shall furnish the shipwrecked persons, if necessary, with means of conveyance to the nearest open port.

2. All expenses incurred by the Government of Corea for the rescue, clothing, maintenance, and traveling expenses of shipwrecked British subjects, for the recovery of the bodies of the drowned, for the medical treatment of the sick and injured, and for the burial of the dead shall be repaid by the British Government to that of Corea.

3. The British Government shall not be responsible for the repayment of the expenses incurred for the recovery or preservation of a wrecked vessel, or the property belonging to her. All such expenses shall be a charge upon the property saved, and shall be paid by the parties interested therein, upon receiving delivery of the same.

4. No charge shall be made by the Government of Corea for the expenses of the Government officers, local functionaries, or police who shall proceed to the wreck for the traveling expenses of officers escorting the shipwrecked men, nor for the expenses of official correspondence. Such expenses shall be borne by the Korean Government.

5. Any British merchant ship compelled by stress of weather, or by want of fuel or provisions, to enter an unopened port in Corea shall be allowed to execute repairs and to obtain necessary supplies. All such expenses shall be defrayed by the master of the vessel.

ARTICLE VIII.

1. The ships of war of each country shall be at liberty to visit all the ports of the other. They shall enjoy every facility for procuring supplies of all kinds or for making repairs, and shall not be subject to trade or harbor regulations nor be liable to the payment of duties or port charges of any kind.

2. When British ships of war visit unopened ports in Corea the officers and men may land, but shall not proceed into the interior unless they are provided with passports.

3. Supplies of all kinds for the use of the British Navy may be landed at the open ports of Corea and stored in the custody of a British officer without the payment of any duty, but if any such supplies are sold the purchaser shall pay the proper duty to the Korean authorities.

4. The Korean Government will afford all the facilities in their power to ships belonging to the British Government which may be engaged in making surveys in Korean waters.

ARTICLE IX.

1. The British authorities and British subjects in Corea shall be allowed to employ Korean subjects as teachers, interpreters, servants, or in any other lawful capacity without any restriction on the part of the Korean authorities, and in like manner no restrictions shall be placed upon the employment of British subjects by Korean authorities and subjects in any lawful capacity.

2. Subjects of either nationality who may proceed to the country of the other to study its language, literature or laws, arts or industries, or for the purpose of scientific research shall be afforded every reasonable facility for doing so.

ARTICLE X.

It is hereby stipulated that the Government, public officers, and subjects of Her Britannic Majesty shall, from the day on which this treaty comes into operation, participate in all privileges, immunities, and advantages, especially in relation to import and export duties on goods and manufactures, which shall then have been granted or may thereafter be granted by His Majesty the King of Corea to the Government, public officers, or subjects of any other power.

ARTICLE XI.

Ten years from the date on which this treaty shall come into operation either of the high-contracting powers may, on giving one year's previous notice to the other, demand a revision of the treaty or of the tariff annexed thereto, with a view to the insertion, by mutual consent, of such modifications as experience shall prove to be desirable.

ARTICLE XII.

1. This treaty is drawn up in the English and Chinese languages, both of which versions have the same meaning; but it is hereby agreed that any difference which may arise as to interpretation shall be determined by reference to the English text.

2. For the present all official communications addressed by the British authorities to those of Corea shall be accompanied by a Chinese translation.

ARTICLE XIII.

The present treaty shall be ratified by Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, and by His Majesty the King of Corea, under their hands and seals. The ratification shall be exchanged at Hanyang (Seoul) as soon as possible, or at latest within one year from the date of signature, and the treaty, which shall be published by both Governments, shall come into operation on the day on which the ratifications are exchanged.

In witness whereof the respective plenipotentiaries above named have signed the present treaty, and have thereto affixed their seals.

Done in triplicate at Hanyang this twenty-sixth day of November, in the year eighteen hundred and eighty-three, corresponding to the twenty-seventh day of the tenth month of the four hundred and ninety-second year of the Korean era, being the ninth year of the Chinese reign Kwang Hsi.

[SEAL.]

HARRY S. PARKES.

Sealed and signed by the Korean plenipotentiary.

REGULATIONS UNDER WHICH BRITISH TRADE IS TO BE CONDUCTED IN COREA.

I.—Entrance and clearance of vessels.

1. Within forty-eight hours, exclusive of Sundays and holidays, after the arrival of a British ship in a Corean port the master shall deliver to the Corean customs authorities the receipt of the British consul, showing that he has deposited the ship's papers at the British consulate, and he shall then make an entry of his ship by handing in a written paper, stating the name of the ship, of the port from which she comes, of her master, the number, and, if required, the names of her passengers, her tonnage, and the number of her crew, which paper shall be certified by the master to be a true statement, and shall be signed by him. He shall at the same time deposit a written manifest of her cargo, setting forth the marks and numbers of the packages and their contents, as they are described in the bills of lading, with the names of the persons to whom they are consigned. The master shall certify that this description is correct, and shall sign his name to the same. When a vessel has been duly entered the customs authorities will issue a permit to open hatches, which shall be exhibited to the customs officer on board. Breaking bulk without having obtained such permission will render the master liable to a fine not exceeding one hundred Mexican dollars.

2. If any error is discovered in the manifest it may be corrected within twenty-four hours, exclusive of Sundays and holidays, of its being handed in without the payment of any fee, but for any alteration or post entry to the manifest made after that time a fee of five Mexican dollars shall be paid.

3. Any master who shall neglect to enter his vessel at the Corean custom-house within the time fixed by this regulation shall pay a penalty not exceeding fifty Mexican dollars for every twenty-four hours that he shall so neglect to enter his ship.

4. Any British vessel which remains in port for less than forty-eight hours, exclusive of Sundays and holidays, and does not open her hatchways; also any vessel driven into port by stress of weather, or only in want of supplies, shall not be required to enter or to pay tonnage dues, so long as such vessel does not engage in trade.

5. When a master of a vessel wishes to clear he shall hand in to the customs authorities an export manifest containing similar particulars to those given in the import manifest; the customs authorities will then issue a clearance certificate and return the consul's receipt for the ship's papers. These documents must be handed in to the consulate before the ship's papers are returned to the master.

6. Should any ship leave the port without clearing outwards in the manner above prescribed the master shall be liable to a penalty not exceeding two hundred Mexican dollars.

7. British steamers may enter and clear on the same day, and they shall not be required to hand in a manifest except for such goods as are to be landed or transhipped at the port of entry.

II.—Landing and shipping of cargo, and payment of duties.

1. The importer of any goods, who desires to land them, shall make and sign an application to that effect, at the custom-house, stating his own name, the name of the ship in which the goods have been imported, the marks, numbers, and contents of the packages and their values, and declaring that this statement is correct. The customs authorities may demand the production of the invoice of each consignment of merchandise. If it is not produced, or if its absence is not satisfactorily accounted for, the owner shall be allowed to land his goods on payment of double the tariff duty, but the surplus duty so levied shall be refunded on the production of the invoice.

2. All goods entered may be examined by the customs officers at the place appointed for the purpose. Such examination shall be made without delay or injury to the merchandise, and the packages shall be at once restored by the customs authorities to their original conditions in so far as may be practicable.

3. Should the customs authorities consider the value of any goods paying an ad valorem duty as declared by the importer or exporter insufficient, they shall call upon him to pay duty on the value determined by an appraisement to be made by the customs appraiser. But should the importer or exporter be dissatisfied with that appraisement he shall, within twenty-four hours, exclusive of Sundays and holidays, state his reasons for such dissatisfaction to the customs commissioner, and shall appoint an appraiser of his own to make a reappraisement; he shall then declare the value of the goods as determined by such reappraisement. The commissioner of customs will thereupon at his option either assess the duty on the value determined by this reappraisement or will purchase the goods from the importer or exporter at the price thus determined, with the addition of five per cent. In the latter case the purchase money shall be paid to the importer or exporter within five days from the date on which he has declared the value determined by his own appraiser.

4. Upon all goods damaged on the voyage of importation a fair reduction of duty shall be allowed, proportionate to their determination. If any disputes arise as to the amount of such reduction, they shall be determined in the manner pointed out in the preceding clause.

5. All goods intended to be exported shall be entered at the custom-house before they are shipped, the application to ship shall be made in writing, and shall state the name of the vessel by which the goods are to be exported, the marks and number of packages, and the quantity, description, and value of the contents. The exporter shall certify in writing that the application gives a true account of all the goods contained therein, and shall sign his name thereto.

6. No goods shall be landed or shipped to other places than those fixed by the Korean customs authorities, nor between the hours of sunset and sunrise, nor on Sundays and holidays, without the special permission of the customs authorities, who will be entitled to reasonable fees for the extra duties thus performed.

7. Claims by importers or exporters for duties paid in excess or by the customs authorities for duties which have not been fully paid shall be entertained only when made within thirty days from the date of payment.

8. No entry will be required in the case of provisions for the use of British ships, their crews and passengers, nor for the baggage of the latter, which may be landed or shipped at any time after examination by the customs officers.

9. Vessels needing repairs may land their cargo for that purpose without the payment of duty. All goods so landed shall remain in charge of the customs authorities and all just charges for storage, labor, and supervisions shall be paid by the master; but if any portion of such cargo be sold the duties of the tariff shall be paid on the portion so disposed of.

10. Any person desiring to tranship cargo shall obtain a permit from the customs authorities for doing so.

III.—*Protection of the revenue.*

1. The customs authorities shall have the right to place customs officers on board any British merchant vessel in their ports. All such customs officers shall have access to all parts of the ship in which cargo is stowed. They shall be treated with civility and such reasonable accommodation shall be allotted to them as the ship affords.

2. The hatches and all other places of entrance into that part of the ship where cargo is stowed may be secured by the Korean customs officers between the hours of sunset and sunrise, and on Sundays and holidays, by affixing seals, locks, or other fastenings, and if any person shall, without due permission, willfully open any entrance that has so been secured, or break any seal, lock, or other fastening that has been affixed by the customs officers, not only the person so offending, but the master of the ship also, shall be liable to a penalty not exceeding one hundred Mexican dollars.

3. Any British subject who ships or attempts to ship, or discharges or attempts to discharge, goods which have not been duly entered at the custom-house in the manner above provided, or packages containing different from those described in the import or export permit application, or prohibited goods, forfeit twice the value of such goods, and the goods shall be confiscated.

4. Any person signing a false declaration or certificate with the intent to defraud the revenue of Korea shall be liable to a fine not exceeding two hundred Mexican dollars.

5. Any violation of any provision of these regulations to which no penalty is specially attached herein may be punished by a fine not exceeding one hundred Mexican dollars.

NOTE.

All documents required by these regulations and all other communications addressed to the Korean customs authorities may be written in the English language.

[SEAL.]

HARRY S. PARKES.

Sealed and signed by the Korean plenipotentiary.

IMPORT TARIFF.

(Classified according to rate of duty.)

CLASS I.—*Duty-free goods.*

Agricultural implements.

Books, maps, and charts.

Bullion, being gold and silver refined.

Coins, gold and silver.

Fire-engines.

Models of inventions.

Packing-bags, packing-matting, tea-lead, and ropes for packing goods.

Plants, trees, and shrubs (all kinds).

Samples, in reasonable quantities.

Scientific instruments, as physical, mathematical, meteorological, and surgical instruments and their appliances.

Travelers' baggage.

Type, new and old.

CLASS II.—Import goods subject to an ad valorem duty of 5 per cent.

Alum.

Anchors and chains.

Bark, for tanning.

Bamboo, split or not.

Beans, peas, and pulse (all kinds).

Bones.

Bricks and tiles.

Camphor, crude.

Coal and coke.

Cotton, raw.

Drugs and medicines (all kinds).

Fish, fresh.

Flax, hemp, jute.

Flint.

Flour and meal (all kinds).

Fruit, fresh (all kinds).

Glue.

Grain and corn (all kinds).

Guano and manures (all kinds).

Hides and skins, raw and undressed.

Horns and hoofs, all kinds not otherwise provided for.

Kerosene, petroleum, and other mineral oils.

Lanterns, paper.

Lime.

Matches.

Matting, floor, Chinese and Japanese, coir, &c., common qualities.

Meat, fresh.

Metals, all kinds, in pig, block, ingot, slab, bar, rod, plate, sheet, hoop, strip, band and flat, T and angle-iron, old and scrap iron.

Oil-cake.

Oil wood (tung-yu).

Paper, common qualities.

Pepper, unground.

Pitch and tar.

Rattans, split or not.

Scales and balances.

Seeds, all kinds.

Soap, common qualities.

Soy, Chinese and Japanese.

Twine and thread, all kinds, excepting in silk.

Umbrella paper.

Vegetables, fresh, dried, and salted.

Wool, sheep's.

Yarns, in cotton, wool, hemp, or other kinds.

All unenumerated articles raw or unmanufactured.

CLASS III.—Import goods subject to an ad valorem duty of 7½ per cent.

Beverages, such as lemonade, ginger beer, soda, and mineral waters.

Blankets and rugs.

Buttons, buckles, hooks and eyes, &c.

Candles.

Canvas.

Carpets, of jute, hemp, or felt, patent tapestry.

Charcoal.

Chemicals, all kinds.

Cocoons.
 Cement, as Portland and other kinds.
 Cordage and rope, all kinds and sizes.
 Clothing and wearing apparel of all kinds; hats, boots, shoes, &c.
 Cotton manufactures, all kinds.
 Cotton and woolen mixtures, all kinds.
 Cotton and silk mixtures, all kinds.
 Dyes, colors, and paints, paint-oil and materials used for mixing paints.
 Earthenware.
 Fans.
 Feathers.
 Felt.
 Fish, dried and salted.
 Flour.
 Foil, tin, copper, and all other kinds, except gold and silver.
 Fruits, dried, salted, or preserved.
 Gamboge.
 Glass, window, plain and colored, all qualities.
 Grass-cloth, and all textiles in hemp, jute, &c.
 Hair, all kinds, except human.
 Hides and skins, tanned and dressed.
 Isinglass, all kinds.
 Lamps, all kinds.
 Leather, all ordinary kinds, plain.
 Linen, linen and cotton, linen and woolen, linen and silk.
 Matting, superior quality, Japanese tatamis, &c.
 Meat, dried and salted.
 Metals, all kinds, in pipe and tube, corrugated and galvanized, wire, steel, tin plates, nickel, platina, quicksilver, German silver, tutenag or white copper, yellow metal, unrefined gold and silver.
 Metal manufactures, all kinds, as nails, screws, tools, machinery, railway plant, and hardware.
 Mosquito netting, not made of silk.
 Needles and pins.
 Oils, vegetable and all kinds.
 Oil and floor cloth, all kinds.
 Paper, all kinds not otherwise provided for.
 Planks, soft wood.
 Porcelain, common quality.
 Rosins.
 Salt.
 Sapan-wood.
 Sea products, as sea-weed, Bache de Mer, &c.
 Silk manufactures, not otherwise provided for.
 Spectacles.
 Spirits, in jars.
 Stationery and writing materials of all kinds, blank-books, &c.
 Stones and slate, cut and dressed.
 Sugar, brown and white, all qualities, molasses and sirups.
 Sulphur.
 Table stores, all kinds, and preserved provisions.
 Tallow.
 Tea.
 Umbrellas, cotton.
 Umbrella frames.
 Varnish.
 Vermicelli.
 Wax, bees or vegetable.
 Wax cloth.
 Woods and timber, soft.
 Woolen manufactures, all kinds.
 Woolen and silk mixtures, all kinds.
 All unenumerated articles partly manufactured.

CLASS IV.—*Import goods subject to an ad valorem duty of 10 per cent.*

Beer, porter, and cider.
 Camphor, also in 5 per cent. (as crude).
 Camphor, refined.
 Carmine.

Carpets, superior qualities, as Brussels, Kidderminster, and other kinds not enumerated.
 Clocks, and parts thereof.
 Clothing, made wholly of silk.
 Confectioneries and sweetmeats, all kinds.
 Explosives, used for mining, &c., imported under special permit.
 Foil, gold and silver.
 Furniture, all kinds.
 Glass, plate, silvered or unsilvered, framed or unframed.
 Glass, all kinds.
 India-rubber, manufactured or not.
 Hair, human.
 Leather, superior kind, or stamped, figured, or colored.
 Leather manufactures, all kinds.
 Lacquered ware, common.
 Materials for seals, &c.
 Musical boxes.
 Musical instruments, all kinds.
 Mosquito netting, made of silk.
 Paper, colored, fancy wall and hanging, photographic.
 Photographic apparatus.
 Planks, hardwood.
 Plated ware, all kinds.
 Pictures, prints, photographs, engravings, all kinds, framed or unframed.
 Porcelain, superior quality.
 Saddlery and harness.
 Silk thread or floss silk, in skein.
 Silk manufactures, as gauze, crape, Japanese amber, satins, lustrings, satin damasks, figured satins, Japanese white silk (habutai).
 Soap, superior qualities.
 Sugar candy.
 Telescopes and binocular glasses.
 Tooth-powder.
 Trunks and portmanteaus.
 Vermilion.
 Watches and parts thereof, in common metal, nickel, or silver.
 Wines, in wood or bottles, all kinds.
 Wood or timber, hard.
 All unenumerated articles completely manufactured.

CLASS V.—*Import goods subject to an ad valorem duty of 20 per cent.*

Amber.
 Arms, fire-arms, fowling pieces, &c., imported under special permit.
 Artificial-flowers.
 Birds' nests.
 Carpets, velvet.
 Carriages.
 Cochineal.
 Coral, manufactured or not.
 Embroideries, in gold, silks, or silver.
 Enameled ware.
 Fire-works.
 Furs, superior, as sable, sea-otter, seal, beaver, &c.
 Ginseng, red, white, crude, and clarified.
 Hair ornaments, gold and silver.
 Incense sticks.
 Ivory, manufactured or not.
 Jade ware.
 Jewelry, real or imitation.
 Lacquered ware, superior.
 Musk.
 Pearls.
 Perfumes and scents.
 Plate, gold and silver.
 Precious stones.
 Rhinoceros horns.
 Scented woods, all kinds.
 Spices, all kinds.
 Tobacco, all forms and kinds.

Spirits and liquors, in wood or bottle, all kinds.
 Tortoise shell, manufactured or not.
 Velvet, silk.
 Watches, and parts thereof, in gold or gilt.
 Works of art.

CLASS VI.—*Prohibited goods.*

Adulterated drugs or medicines.

Arms, munitions and implements of war, as ordnance or cannon, shot and shell, fire-arms of all kinds, cartridges, side-arms, spears or pikes, saltpeter, gunpowder, gun-cotton, dynamite, and other explosive substances.

NOTE.—The Korean authorities will grant special permits for the importation of arms, fire-arms, and ammunition for self-defense on satisfactory proof being furnished to them of the bona fide character of the application.

Counterfeit coins, all kinds.

Opium (except medicinal).

Foreign ships, when sold in Corea, will pay a duty of 25 cents per ton on sailing vessels and 50 cents per ton on steamers.

[SEAL.]

HARRY S. PARKES.

Sealed and signed by the Korean plenipotentiary.

No.	Article.	Ad valorem duty.
		<i>Per cent.</i>
1	Agricultural implements.....	Free.
2	Alum.....	5
3	Amber.....	20
4	Anchors and chains.....	5
5	Arms, ammunition, fire-arms, fowling-pieces, or side-arms, imported under special permit of the Korean Government for sporting purposes or for self-defense.....	20
6	Artificial flowers.....	20
7	Bamboo, split or not.....	20
8	Bark, for tanning.....	5
9	Beans, peas, and pulse, all kinds.....	5
10	Beer, porter, and cider.....	10
11	Beverages, such as lemonade, ginger beer, soda and mineral waters.....	7½
12	Birds' nests.....	20
13	Blankets and rugs.....	7½
14	Bones.....	5
15	Books, maps, and charts.....	Free.
16	Bricks and tiles.....	5
17	Bullion, being gold or silver, refined.....	Free.
18	Buttons, buckles, hooks and eyes, &c.....	7½
19	Camphor:	
	Crude.....	5
20	Refined.....	10
21	Candles.....	7½
22	Canvas.....	7½
23	Carmine.....	10
	Carpets:	
24	Of jute, hemp, or felt.....	7½
	Patent tapestry.....	7½
25	Superior quality, as Brussels, Kidderminster, and other, not enumerated.....	10
26	Velvet.....	20
27	Carriages.....	20
28	Cement, as Portland and other kinds.....	7½
29	Charcoal.....	7½
30	Chemicals, all kinds.....	7½
31	Clocks, and parts thereof.....	10
32	Clothing and wearing apparel, all kinds; hats, boots, shoes, &c.....	7½
33	Made wholly of silk.....	10
34	Coal and coke.....	5
35	Cochineal.....	20
36	Cocoons.....	7½
37	Coins, gold and silver.....	Free.
38	Confectioneries and sweetmeats of all kinds.....	10
39	Coral, manufactured or not.....	20
40	Cordage and rope, all kinds and sizes.....	7½
	Cotton:	
41	Raw.....	5
42	Manufactured, all kinds.....	7½
43	(Omitted in original).....	
44	Cotton and silk mixtures, all kinds.....	7½
45	Cutlery, all kinds.....	7½

No.	Articles.	Ad valorem duty.
		<i>Per cent.</i>
46	Drugs, all kinds	5
47	Dyes, colors and paints, paint oils, and materials used for mixing paints	7½
48	Earthenware	7½
49	Embroideries, in gold and silver or silk	20
50	Enameled ware	20
51	Explosives, used for mining, &c., and imported under special permit	10
52	Fans, all kinds	7½
53	Feathers, all kinds	7½
54	Felt	7½
55	Fire-engines	<i>Free.</i>
56	Fire-works	20
	<i>Fish:</i>	
57	Fresh	5
58	Dried or salted	7½
59	Flax, hemp, and jute	5
60	Flints	5
61	Floor rugs, all kinds	7½
62	Flour and meal, all kinds	5
	<i>Foil:</i>	
63	Gold and silver	10
64	Tin, copper, and all other kinds	7½
	<i>Fruit:</i>	
65	Fresh, all kinds	5
66	Dried, salted, or preserved	5
67	Furniture, all kinds	10
68	Furs, superior, as sable, sea-otter, seal, otter, beaver, &c.	20
69	Gamboge	7½
70	Ginseng, red, white, crude and clarified	20
	<i>Glass:</i>	
71	Window, plain and colored, all qualities	7½
72	Plate, silvered, or unsilvered, framed or unframed	10
73	Glassware, all kinds	10
74	Glue	5
75	Grain and corn, all kinds	5
76	Grasscloth and all textiles in hemp, jute, &c.	7½
77	Guanos and manures, all kinds	5
	<i>Hair:</i>	
78	All kinds, except human	7½
79	Human	10
80	Ornaments, gold and silver	20
	<i>Hides and skins:</i>	
81	Raw and undressed	5
82	Tanned or dressed	7½
83	Horns and hoofs, all kinds not otherwise provided for	5
84	Incense sticks	20
85	India-rubber, manufactured or not	10
86	Linglass, all kinds	7½
87	Ivory, manufactured or not	20
88	Jadeware	20
89	Jewelry, real or imitation	20
90	Kerosene or petroleum, and other mineral oils	5
	<i>Lacquered ware:</i>	
91	Common	10
92	Superior	20
93	Lamps, all kinds	7½
94	Lanterns, paper	5
	<i>Leather:</i>	
95	All ordinary kinds, plain	7½
96	Superior, stamped, figured or colored	10
97	Leather manufactures, all kinds	10
98	Lime	10
99	Linen, linen and cotton, linen and woolen mixtures, linen and silk mixtures, all kinds	7½
100	Matches	5
	<i>Matting:</i>	
101	Floor, Chinese, Japanese, coir, &c., common	7½
102	Superior, Japanese, tatamis, &c.	7½
	<i>Meat:</i>	
103	Fresh	5
104	Dried and salted	7½
105	Meatcines, all kinds, not otherwise provided for	5
	<i>Metals:</i>	
106	All kinds in pig, block, ingot, bar, rod, plate, sheet, hoop, strip, band, and flat T and angle iron, old and scrap	5
107	All kinds in pipe or tube, corrugated or galvanized, wire, steel, tin plates, quick-silver, nickel, platinum, German silver, yellow metal, tutenag, or white copper, unrefined gold and silver	7½
108	Manufactures, all kinds, as nails, screws, tools, machinery, railway plant, and hardware	7½
109	Models of inventions	<i>Free.</i>
	<i>Mosquito netting:</i>	
110	Not silk	7½
111	Silk	10

No.	Articles.	Ad valo duty.
		<i>Per cent.</i>
112	Musical boxes.....	10
113	Musical instruments, all kinds.....	10
114	Musk.....	20
115	Needles and pins.....	7½
116	Oil-cake.....	5
117	Oil, vegetable, all kinds.....	7½
118	Oil-wood, (fung-yu).....	5
119	Oil and floor cloth, all kinds.....	7½
120	Packing-bags, packing-matting, tea-lead, and ropes for packing goods.....	Free.
	Paper:	
121	Common qualities.....	5
122	All kinds not otherwise provided for.....	7½
123	Colored, fancy, wall, and hanging.....	10
124	Pearls.....	20
125	Pepper, unground.....	5
126	Perfumes and scents.....	20
127	Photographic apparatus.....	10
128	Pictures, prints, photography, engravings, all kinds, framed or unframed.....	10
129	Pitch and tar.....	5
	Planks:	
130	Soft.....	7½
131	Hard.....	10
132	Plants, trees, and shrubs, all kinds.....	Free.
133	Plate, gold and silver.....	20
134	Plated ware, all kinds.....	10
	Porcelain:	
135	Common.....	7½
136	Superior.....	10
137	Precious stones, all kinds, set or unset.....	20
138	Rattans, split or not.....	5
139	Rhinoceros' horns.....	20
140	Rosin.....	7½
141	Saddlery and harness.....	10
142	Salt.....	7½
143	Samples, in reasonable quantity.....	Free.
144	Sapan-wood.....	7½
145	Scales and balances.....	5
146	Scented woods, all kinds.....	20
147	Scientific instruments, as physical, mathematical, meteorological, and surgical, and their appliances.....	Free.
148	Seals, materials for.....	10
149	Sea products, as sea-weed, bêche de mer, &c.....	7½
150	Seeds, all kinds.....	5
151	Silks, raw, reeled, thrown, floss, or waste.....	7½
152	Silk manufactures, as gauze, crape, Japanese amber, lustrings, satins, satin damasks, figured satina, Japanese white silk (habutai).....	10
153	Silk manufactures not otherwise provided for.....	7½
154	Silk thread and floss silk, in skein.....	10
	Soap:	
155	Common.....	5
156	Superior.....	10
157	Soy, Chinese and Japanese.....	5
158	Spectacles.....	7½
159	Spices, all kinds.....	20
160	Spirits, in jars.....	7½
161	Spirits and liquors, in wood and bottle, all kinds.....	20
162	Stationery and writing materials, all kinds, blank-books, &c.....	7½
163	Stones and slate, cut and dressed.....	7½
164	Sugar, brown and white, all qualities, molasses and sirups.....	7½
165	Sugar candy.....	10
166	Sulphur.....	7½
167	Table stores, all kinds, and preserved provisions.....	7½
168	Tallow.....	7½
169	Tea.....	7½
170	Telescopes and bronocular glasses.....	10
171	Tobacco, all kinds and forms.....	20
172	Tortoise shell, manufactured or not.....	20
173	Tooth-powder.....	10
174	Traveler's baggage.....	Free.
175	Trunks and portmanteaus.....	10
176	Twine and thread, all kinds, excepting in silk.....	5
177	Type, new and old.....	Free.
	Umbrellas:	
178	Paper.....	5
179	Cotton.....	7½
180	Silk.....	10
181	Frames.....	7½
182	Varnish.....	7½
183	Vegetables, fresh, dried, and salted.....	5
184	Velvet, silk.....	20
185	Vermecilli.....	7½

No.	Articles.	Ad valo- ram.
		<i>Per cent.</i>
186	Vermilion	10
187	Watches and parts thereof, in common metal, nickel, or silver	10
188	Watches, in gold or gilt	20
189	Wax, bees' or vegetable	7½
190	Wax cloth	7½
191	Wines, in wood or bottle, all kinds	10
	Wood and timber:	
192	Soft	7½
193	Hard	10
194	Wool, sheep's, raw	5
195	Woolen, manufactures, all kinds	7½
196	Woolen and silk mixtures, all kinds	7½
197	Works of art	20
198	Yarns, all kinds, in cotton, wool, hemp, &c.	5
	All unenumerated articles, manufactured or not	5
	All unenumerated articles, partly manufactured	7
	All unenumerated articles, completely manufactured	10½

RULES.

I. In case of imported articles the ad valorem duties of the tariff will be calculated on the actual cost of the goods at the place of production or fabrication, with the addition of freight, insurance, &c.

In the case of export articles the ad valorem will be calculated on market values in Corea.

II. Duties may be paid in Mexican dollars or Japanese silver yen.

III. The above tariff of import and export duties shall be converted as soon as possible, and as far as may be deemed desirable into specific rates by agreement between the competent authorities of the two countries.

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UNITED STATES CONSULAR REPORTS.

CREDIT SYSTEMS OF THE SEVERAL COUNTRIES.

REPORTS

FROM THE

CONSULS OF THE UNITED STATES

ON

THE CREDIT AND TRADE SYSTEMS

OF THEIR

SEVERAL DISTRICTS,

IN ANSWER TO

A CIRCULAR FROM THE DEPARTMENT OF STATE.

No. 43.—July, 1884.

PUBLISHED BY THE DEPARTMENT OF STATE, ACCORDING TO ACT OF CONGRESS.



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CONSULAR REPORTS
ON
COMMERCE, MANUFACTURES, ETC.

No. 43.—JULY, 1884.

DEPARTMENT CIRCULAR.

DEPARTMENT OF STATE,
Washington, May 15, 1883.

To the consular officers of the United States:

GENTLEMEN: It having been represented to the Department by the Board of Trade of Scranton, Pa., that reports on the systems of credits which prevail in, and their relation to and effect on the general prosperity of, the several countries would be greatly appreciated by the financial and industrial interests of the United States, you are requested to prepare reports accordingly, confining them to your respective districts.

The following interrogatories, prepared by the above board of trade, are submitted to enable you to comprehend the scope of information desired, but the fullest limits of the subject at issue are permitted.

The question of credits being of great and general interest, you cannot make your reports too full, so long as clear and pertinent facts are recited. It is desirable, however, that abstruseness and speculation should be entirely ignored; causes and their effects being clearly set forth, it is best to leave the public to draw its own conclusions therefrom.

It is thought that the answers hereto will justify the Department in publishing them in a special volume; reports from all consular officers receiving this circular are therefore expected within a reasonable period, so that they can be given to the public at one time.

I am, gentlemen, your obedient servant,

JOHN DAVIS,
Assistant Secretary.

INTERROGATORIES.

1. Does credit stimulate trade?
2. Are people averse to contracting debts?
3. Are there any sumptuary laws or regulations concerning credits?

4. To what extent does credit prevail in proportion to the volume of business?
5. To what extent do losses incidental to business prevail?
6. Do tradesmen extend credit to mechanics and laborers readily?
7. What advantage have cash buyers?
8. Is interest demanded on time accounts?
9. With what classes are the evils of credit most conspicuous?
10. What kind of produce or manufactured articles command cash returns?
11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?
12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?
13. Is bankruptcy frequent?
14. To what extent do relief acts in bankruptcy prevail?
15. Are fortunes readily made and lost?
16. What are the general effects of credit?

CONTINENT OF EUROPE.

THE UNITED KINGDOM.

ENGLAND.*

BRADFORD.

REPORT BY CONSUL GRINNELL.

The system of credit is, as a rule, very prevalent in this consular district, more especially in the wholesale branches of trade; in fact this class of business is almost entirely done on credit, which is to some extent calculated to stimulate trade, and it is conceded that the amount of business which is now carried on could not be done efficiently without it, but would be greatly hampered and curtailed.

Generally speaking, the people are not averse to contracting debts, although probably a minority avail of credit, as cash buyers have an advantage over those who buy on credit, in being able to purchase at a less price and receive from $2\frac{1}{2}$ to 5 per cent. discount.

Credit in the wholesale branch prevails to a very great extent in proportion to the volume of business which is transacted, varying in time from one to six months; the retail business being conducted mostly for cash, and to a considerable extent by co-operative stores. The losses in connection with the latter (the retail) when credit is given are considerable, in some cases amounting to 5 per cent. of the total sales; whereas in connection with the former (the wholesale) the losses incidental to business amount to probably no more than 1 to 2 per cent.

Interest is also usually demanded on overdue accounts, the time allowed for payment being specified on the bill-heads.

Credit is not extended by tradesmen to the laboring classes as readily as to persons in business, unless they are old or well-known residents, as the evils of the system are most conspicuous between small tradesmen and operatives who, not having to pay cash for their purchases, take articles both in quality and quantity in excess of their necessities or position.

The principal articles which can command immediate cash returns are those of food and the necessities of life; the vast majority of other produce or manufactured articles not being of like necessity, rarely commands cash at wholesale, and not always at retail.

*Consul-General Merritt, in forwarding the reports from the consuls within his jurisdiction, says: "The United States consuls in Great Britain have in their reports so thoroughly set forth the systems existing in their respective localities that I consider a report on London would be to a great extent cumulative, and would add very little to the material already furnished by them. A peculiar difficulty arises in the case of London, as the magnitude and diversity of business is such that no general summary would give a satisfactory and adequate consideration of the questions involved."

Mortgages and bills of sale are the principal securities for sums advanced, and these prevail to some extent among all classes, but chiefly with the middle and lower, and are registered at York (York and Middlesex being the register counties in England).

Bankruptcy is not so frequent now (1883) as in the preceding five or six years, owing to the expense attending it, and as a rule creditors prefer accepting a composition, if it is near the amount the estate is likely to realize.

When a person has once failed in business or has been discredited there are no obstacles to prevent him from resuming, provided he has acted honestly and his failure has not been the result of undue extravagance, speculation, or fraud. Judgments obtained against debtors are very common among the working classes. There are, however, no relief acts in bankruptcy, excepting in time of commercial panic or disaster. By the bankruptcy act of 1869 creditors have power to grant the discharge of debtors in cases of liquidation and also in cases of bankruptcy; but a bankrupt, if his estate has paid 10s. in the pound, may apply to the courts for his discharge.

Fortunes are not so readily made now as some few years ago, but are more easily lost, especially in speculative undertakings. There are no sumptuary laws concerning credits in England unless they are obtained under false pretenses. The principal facts and deductions contained herein are drawn from notes and conferences with prominent and practical gentlemen in the district, notably from Mr. H. Mitchell, J. P., the head of the house of A. & S. Henry & Co., and others of like character and position.

WILLIAM F. GRINNELL,
Consul.

UNITED STATES CONSULATE,
Bradford, May 15, 1883.

BRISTOL.

REPORT BY CONSUL LATHROP.

(Report by Consul Lathrop on the trade systems which prevail in connection with : (1.) Settlement for importations. (2.) The wholesale trade. (3.) Manufactures for home trade. (4.) Manufactures for the export trade. (5.) The retail trade. (6.) Co-operation in England. (7.) Bankruptcy in England. (8.) Banking and currency in England.)

In answer to the Department circular of the 15th of May, I have the honor to present the following facts relating to the "system of credits which prevail in" Bristol and "their relation to and general effect on the prosperity of" the place. In accordance with the suggestion in the circular that the subject admits a wide range, I have prepared, amongst other germane topics, an account of the different modes of proceeding in the different occupations of the English business man; for the subordination of all English cities to the great monetary world-center on the Thames, and the intimate relations which they all maintain with one another, have uprooted local customs and made each city's methods a fair example of all.

SETTLEMENTS FOR IMPORTATIONS.

First. As to the importer, who may be either a factor, a broker, or a direct purchaser. In each case the mode of procedure is the same, varied by exceptional arrangements which often grow up between the

importer and his foreign correspondent, founded on mutual confidence, good-will, and convenience. The importer from America almost invariably settles by means of a sixty days' draft drawn at the time of shipment by the seller. If the sale has been consummated on this side by a broker, as is generally the case, he takes no responsibility as to the solvency of the buyer, upon whom the draft is drawn direct. The broker's commission for this sale is generally 1 per cent., paid of course by the seller. If, however, the broker accepts a *del credere* commission, he then becomes responsible for payment and receives about 2 per cent., and sometimes a surplusage over a guaranteed price. Factors deal largely thus, and in many instances are practically themselves the purchasers of the consignment, which they may have on hand for months.

The great bulk of the importation from the United States into Bristol consists of food products, generally sold through the interposition of the broker, though but little is sent not previously ordered from this side. When it is shipped unordered and unsold by the broker, the practice is to draw on the broker for, say, 75 per cent. of the cost of the consignment. The balance is accounted for in due course after the sale. In most instances the mode of procedure is as follows in selling food products: The American dealer cables his broker here a rate, which includes his price, ocean freight, and insurance. This enables the broker to quote to his customers the rate to them at the ship's deck in Bristol. This so-called c. f. and i. business is a convenient and favorite mode of trading.

The business done with the continent of Europe differs in details somewhat from this. In importing from Mediterranean ports it is seldom that drafts are drawn. The circumstance that in nearly all the large cities and towns of the Mediterranean are large English firms, long established, and intimately connected with firms in England, enables each to maintain such relations with England as is most convenient, without regard to general rules.

In regard to imports from Russian ports, it is almost invariably the custom of the London representative of the Russian firm to notify the brokers of cargoes en route, who endeavor to effect a sale before the steamer reaches Gibraltar, as it is a considerable saving in freight if the steamer can there be notified to what port to proceed. Upon sale and arrival at the port of discharge, the vessel does not break bulk until payment to the London representative has been made. The broker gets $2\frac{1}{2}$ per cent. for selling the cargo, $1\frac{1}{2}$ per cent. he turns over to the buyer, who has paid the owner the agreed price less three months' discount at 5 per cent. per annum; a strange and roundabout way of proceeding, a relic of past days of cumbrous methods and sailing vessels.

Imports from other European countries are generally paid for on arrival, with an accepted sixty or ninety days' draft on a London banker, the interest on which is considered in the price, making it practically a cash sale.

The trade partnerships of England protect the interests of the shipper of a cargo from the English colonies. It is the rare exception to find a place of importance in these colonies or in South America where there are not one or more English firms whose head office is in London or Liverpool. The advantages of this practice are obvious, and the extent and ramifications of these partnerships are a matter of wonder and admiration to the beholder, and set an example to any nation seeking new channels for her export trade worthy of the highest consideration.

A large proportion of the immense wheat export of San Francisco is made under the same conditions. It is well known that the bulk of the wheat crop of California is handled by an English firm, an offshoot of the parent firm at Liverpool.

THE WHOLESALE TRADE.

Second. As to the wholesale trader. If he deal in American products, he deals on what is here known as the American plan, viz, sixty days' time, or a discount of two months' interest at 5 per cent. per annum for cash.

In other than American products the usual time is ninety days, and a corresponding discount for cash. The general practice is, however, so constantly broken by special arrangements that I do not know if I ought to call it the general practice. Five, seven and one-half, sometimes ten per cent. discount are given under circumstances *sui generis*, but rarely more than ten.

When time sales are made, the invariable practice is to take a note or an accepted bill. Book accounts are eschewed except in the case of large customers whose credit is irreproachable and whose custom is so valuable that every concession must be made to retain it.

MANUFACTURES FOR THE HOME MARKET.

Third. As to the manufacturer for the home market. The general practice is to give 5 per cent. discount for cash, reducing it proportionately if payment be deferred. There are many exceptions, of course. One large manufacturer allows 5 per cent., renders his accounts monthly, and allows $1\frac{1}{2}$ per cent. more if the account be paid within fourteen days. A similar practice is pursued in many instances, with the result of largely increasing the percentage of cash payments.

The manufacturer as well as the dealer declines book accounts, thus reducing to a minimum his danger from bad debts, overtrading, and bankruptcy. Security through acceptances is the only sure foundation for a system of trade that includes any credit at all amongst its tenets, and all systems to be practicable must include this.

MANUFACTURES FOR EXPORT.

Fourth. As to the manufacturer for export. A Bristol manufacturer trading with America generally deals on a cash basis. If his customer be not known to him he draws a sight draft, attaches it to the bill of lading and passes it through his bank. A regular customer often arranges to remit, but it is generally understood and expected that immediate return will be made. A discount of 5 per cent. is generally allowed, and under exceptional circumstances more, but rarely exceeding 10 per cent.

It is to the credit of the Bristol manufacturer that he will rarely allow different discounts in the same vicinity. If he allows his regular customer in New York 5 per cent., he will not give a new purchaser $7\frac{1}{2}$ without giving the same accommodation to his old customer. He sticks to this principle regardless of how flattering may be the offer of the new customer as to extent of business.

Trade with the Australian colonies and South America is generally conducted by means of drafts payable ninety days after sight. A resident agent is employed in these cases, or the services of one of those wide-

reaching partnerships before spoken of is called into requisition to protect the interests of the manufacturer. In many instances the customary 5 per cent. is allowed just as though cash were paid, but this advantage is more than cut off to the purchaser by the increased freight, and with many products the increased cost of packing and cases. For instance, the New York purchaser of Bristol chocolate gets his cases free, while the more substantial ones required to transport the product to Australia cost the purchaser there \$1 per cwt. of chocolate.

The manufacturer in Bristol is satisfied if his books exhibit a net annual interest on his investment of 10 per cent. If his interest fall to 5 or below he is somewhat given to incorporating his business and making a limited liability concern out of it. Often the increased capital thus obtained revives the business, but just as often the stockholders wait, more or less patiently, an indefinite time for their dividends.

THE RETAIL TRADE.

Fifth. As to the retailer. This branch of the subject I shall consider in the somewhat wider view suggested by the questions appended to the circular of May 15.

The English tradesman has been accustomed until within the past twenty years to give excessive terms of credit, especially in dealing with those classes of society which would, in England, be designated as the upper and middle classes. He still is extremely lenient with those whose delay is reasonably presumed to be more from carelessness than from inability to pay, and he is better able to judge of the standing of his customer than in many parts of the United States, where removals are frequent and fluctuations in wealth great.

But against his will, and whether he will or not, the English tradesman's business has been put on a solidier foundation, and this has been accomplished by that comparatively new and extremely interesting development of civilization—co-operation.

In order to compete with this newly developed element the tradesman has been obliged to do one of two things, *i. e.*, either turn his business into one absolutely for cash, reducing his prices from 10 to 25 per cent., or he has been obliged to make a difference between his cash and time prices varying from 5 to 15 per cent. If he sells on time his general practice is to render his account quarterly. Prompt payment is expected, but if not made would probably not be asked for for six months or so.

The development of establishments trading on an absolutely cash basis is large, particularly among grocers, boot and shoe dealers, and kindred traders. Such a system has proved beneficial to all concerned. The price of commodities is from 5 to 25 per cent. less than where every purchaser must aid in recompensing the proprietor for bad debts and interest losses. The owner's interest is preserved by the increased rapidity of the turn over of his capital, for his business, if properly managed, is sure to increase largely when he adopts this system.

It is obvious that a general adoption of a cash system of trading will much reduce the number of traders. Business in each town will cluster around a few large dealers, the smaller fry inevitably going to the wall. The concentration of trade will enable larger orders to be given to the manufacturer who can make and sell at a less rate than if he filtered his products through a hundred small dealers to the consumer.

Another factor is about to be introduced which will hasten the inevitable disappearance of the small dealer. I refer to the parcel post. On

the first of August the English post-office is about to follow the example of the United States and carry parcels at a very cheap rate. The limit of weight and of size is nearly twice as large as with us, and there are many strong reasons for believing that the proportion of business will be larger. The short distances, the network of railroads, the recognition of London as a center for everything, will all combine to cause many a householder to do his purchasing in London, and many a housewife to do her shopping by mail.

The buyer at a cash store, besides the advantage of cheapness, is obliged to invariably pay the money down, a signal encouragement towards what is absolutely necessary to the prosperity of the poor; a rigid adherence to cash payments and a scrupulous avoidance of debt.

The Englishman is without that temptation to live beyond his income that exists in some American communities. The eager and ambitious endeavor to elevate one's social position by continued efforts to surpass in display of luxury would be useless in England. Indeed, nothing would more surely defeat social ambition than display of material wealth. The result is in this respect a more healthy state of society; a smaller proportion of income is expended on purely personal needs; fewer bankruptcies from extravagance result, and there is little of unreasonable self-denial in concealed places to make a display in others.

Artisans, mechanics, mill operatives, laborers, &c., as a rule obtain credit from the small huckster who is nearest their respective homes. His desire and effort is to trade with them on open account rather than for cash, and he cultivates improvidence and extravagance, which result, of course, to his own benefit. A family buying on time will spend about one-third more than if they pay cash, and they are always charged a higher percentage of profit.

The operatives and laborers in the vicinity of Bristol are not a thrifty class. Those whose wives and daughters have been compelled by poverty to take their place in the factory have not and cannot have any appreciation of home life, and they think of their so-called home only as a place to eat and sleep. They have in more than a few instances contracted the fatal habit of patronizing the pawnbroker, and this is their routine: On pay-day the first procedure is to redeem the clothing, furniture, and trinkets; then comes a series of inconsiderate purchases far beyond their means, especially of food and drink. Tuesday or Wednesday finds them penniless again; the pawnbroker is again sought, and a scanty diet keeps them till another pay-day.

Even to the most economical and self-denying of them life is a bitter struggle, requiring constant watchfulness and careful avoidance of debt to make both ends meet. A number of them have combined in the northern counties for the purpose of obtaining the necessities of life at the minimum cost for distribution. So signal has been their success as to deserve some mention; therefore, even at the risk of repeating what is familiar to many, I shall give some account of English attempts at

CO-OPERATION.

The latest absolutely reliable figures relating to this subject are to be found in a "Report from the Select Committee on Co-operative Stores," made to the House of Commons in 1879. It appears from that report that there were in England at that time 937 co-operative societies, their combined yearly sales amounting to about \$80,000,000. Their business was and is conducted on one of two widely different principles.

1. Where the ordinary retail price is charged, the net profit on each sale accruing to the purchaser.

2. Where a large reduction is made in price, the net profit accruing to shareholders.

The first system is largely developed in the manufacturing districts of the more northern counties, and derives its name from the town of Rochdale, in Lancashire. A large proportion of these retail Rochdale co-operative stores have combined and established a wholesale house in Manchester, managed on their principle, and through which they supply themselves. This wholesale store sells to the value of about \$15,000,000 yearly, and has connected with it numerous large manufactories, which operate solely to supply its needs. It is one of the largest importers in the United Kingdom in certain lines, and frequently charts large vessels solely to convey its imports. It has about 600 retail stores purchasing from it, which have a membership of about 326,000 people.

At these retail stores anybody buys pays the current retail price, the difference between which and cost is credit to him. A well-managed store should have an annual net profit of 10 per cent. to divide among the purchasers. Division is generally made quarterly, and profits may be left to accumulate or may be withdrawn. If withdrawn, £1 is retained towards capital, this making the purchaser a life member, and no further payment being ever required. If dividends are left to accumulate, they draw interest at 5 per cent. The management of these stores is entirely in the hands of the workmen. The committee which directs receives \$1.20 for each meeting per man. Two and a half per cent. of the net profit is generally laid aside as an educational fund, which has resulted in the establishment of numerous reading-rooms, in subscriptions for scientific lectures, and other interesting and improving projects. A good example of the operations of this system may be had from the experience of a member of the Manchester and Salford Equitable Society, who joined in 1860, paid in his £1 sterling, and in August, 1879, having withdrawn at intervals £52, had left to his credit £36. Here in nineteen years is a saving of £85, or \$428, without ever having tried to save.*

The second co-operative system, that of reduced prices and division of profits among shareholders, has attained great proportions, in London especially. It had its origin in 1864, when a number of clerks in the post-office department in London combined to purchase a half chest of tea, and divided it among themselves, thus saving the retailer's profits. From this small beginning arose the well-known civil-service, and army and navy stores, whose annual sales amount to \$40,000,000, whose export business extends to every British colony, and whose system of cash payments has, with the aid of the Rochdale stores, begun to revolutionize the terms and conditions of the British retail trade. The expenses of these stores average annually about 9 per cent. of the turnover, and their gross profits about 12 per cent. This 3 per cent. of net profits is divided among the shareholders, who, however, cannot withdraw it, though after death it may be drawn by the heir or executor. The shares were subscribed for at £2, and are now worth, in the civil-service stores, £80.

But it is not necessary to be a shareholder in order to be a customer. In the civil-service stores, for instance, all government employes, not shareholders, pay 60 cents a year for a ticket entitling them to trade. Friends of members can trade by paying \$1.20 per year for a ticket.

The difference between the two systems is evident. In the Rochdale every purchaser is an owner; the very act of purchasing makes him a

*From the testimony of Dr. Watts before the Parliamentary committee, 16th July, 1879.

part proprietor. He is encouraged to save in the simplest possible manner, and his store, by selling at current rates, interferes but little with the regular dealer.

The London stores, on the contrary, differ in having a capital account, to which the profits accrue, thus lacking the true principle of co-operation. The two systems are employed by two entirely different sections of the community. The Rochdale is confined almost entirely to the working class, while the London stores are patronized by the comfortably well-off and the rich.

BANKRUPTCY.

The experience of the English Government with bankruptcy laws has been as unsatisfactory as has that of the United States. Since the year 1849 three different laws have been in successive operation, each of which has proved more unsatisfactory than its predecessor, the last most of all. The result is that a new law is about to be enacted making some promising alterations. Under present and previous legislation a bankrupt has been able to procure a discharge with great ease and with extreme laxity in marshalling his assets, so that it has frequently happened that after settling at 5 or 10 per cent. he has withdrawn from some covert sufficient capital to re-enter business; a grave injustice to creditors, and productive of much loose trading. The blame for this undoubtedly rests on the creditors, who by present law can grant a discharge. They have proved themselves far more lenient or careless than were the courts, in whose hands was placed the power of discharge by the laws of 1849 and 1861, and who in their turn are amenable to blame for unreasonable laxity in behalf of the debtor. Under the provisions of the law about to come into effect the power of discharge is again returned to the judge, but under restrictions, with which the bankrupt must comply before again entering business life.

An excellent effect of the new law will be the saving of interest to the creditor on floating balances heretofore lying idle during settlement; for all assignees will be required to deposit moneys in the Bank of England, which will pay 3 per cent. interest. The floating balance thus collected into one depository will amount to about \$5,000,000, the interest on which, \$150,000, has been absolutely lost to the creditor in the past.

The trustee or assignee is to be supervised by that all-pervading body, the board of trade, and a considerable increase is anticipated in the percentage of assets under the new law. Its present effect is to largely increase the number of bankruptcies, especially among small traders, who are making haste to avail themselves of the more lenient provisions at present in force.

From the report of the comptroller in bankruptcy for the year 1881* I find that there were in England during that year 1,005 bankruptcies, averaging a liability of \$13,213 each, with assets averaging \$1,546 each; 5,216 liquidations, with liabilities, \$9,933, and assets, \$3,347; 3,506 compositions, with liabilities, \$5,971 each, and assets, \$1,375.

There were 982 bankruptcies closed during the year. The administration of these 982 estates cost on an average $31\frac{1}{2}$ per cent. of the assets; which were *nil* in 212 cases, and were entirely absorbed by expenses in 383 cases. Of these latter 54 per cent. went in legal costs; 27 per cent. went to the receiver, manager, or trustee; the auctioneer, accountant, &c., got 8 per cent., incidentals consuming the balance.

* The report for 1882 is not yet issued.

Of the 384 cases which paid a dividend, the law costs averaged 12 per cent. of the assets, the receiver got 10 per cent., the accountant 2½ per cent., incidentals 3½ per cent., creditors 72 per cent. Of these estates 115, or 30 per cent., paid less than 5 per cent. on the dollar; 112, or nearly 30 per cent., paid between 5 and 12½; 87, or 22 per cent., paid between 12½ and 25; 32, or about 8 per cent., paid between 25 and 37½; 15, or 18 per cent., paid between 37½ and 50; 10 paid between 50 and 75; 5 paid between 75 and 100 per cent., and 8 paid dollar for dollar. Bringing these figures into more compact form, we see that 23, or 6 per cent., only paid over 50 per cent. on the dollar, while 361, or 94 per cent., paid less. Two hundred and eleven of these estates were under \$250 in value, 125 were between this sum and \$500; 360 were over \$500 and under \$5,000; 65 were above this and under \$50,000; leaving 6 above the latter sum, one of which exceeded \$500,000.

Of the 3,506 compositions with creditors, 116, or less than 4 per cent., were at the rate of 50 cents on the dollar or better, while one-fourth of them were arranged at less than 5 cents. The total liabilities in this class of cases were \$20,932,303, which makes, with the addition of \$51,825,707 liabilities in liquidations, and \$13,277,346 liabilities in bankruptcies, a grand total of \$86,035,356, against which comes the grand total assets of \$21,801,364.

All bills in connection with the settlement of bankruptcy cases, and (if the creditors require it) in liquidation cases, are required by law to be audited by certain officials, who have the power to scale the bills in case of excessive charges. Under this law there were bills presented during 1881 to the number of 18,270, amounting to \$2,225,000, from which the authorities deducted \$394,000; attorneys' bills amounted to \$1,680,320, from which \$340,000 was struck, making a reduction of just 20 per cent.

Information is asked in the circular before alluded to as to whether obstacles exist to resumption of business in case of bankruptcy. In answer it may be said that public sentiment is by no means lenient in England in cases of failure in business, and instances of complete recovery are not numerous. This severe judgment regarding failure is one among many causes which make the British trader cautious and conservative. He does not get rich in a day, and, on the other hand, can not be ruined in a day. His avowed aim is generally to start his business well along for his sons to develop after him; and often makes the remark that "a man in his life-time can not hope to do much more than make an opening for his sons." If he himself has inherited his business or factory, he is satisfied to have lived comfortably out of it and to hand down his capital unimpaired. Many large fortunes have undoubtedly been accumulated in one life-time in England, particularly by iron-founders, ship-builders, bankers, &c., but it is owing more to individual sagacity than to favorable opportunity.

THE BANKS AND CIRCULATING MEDIUM.

It has been provided by law for many years that no bank notes shall be issued in England for sums under £5. This prohibition was thought to be necessary to prevent the evil of excessive issue of small notes, which at one time threatened to seriously disarrange internal commerce, and also to prevent the inevitable drain of specie when exchange was against the country. However successful the law may have been in obviating these difficulties, the result has been the creation of new ones, viz, an undue burden of work upon the gold coin and upon the banks. The country

is seriously embarrassed at the present moment by the lightness of the gold coins, which have been in circulation for many years, and are much abraded and worn. Light sovereigns and half-sovereigns have not been called in since the year 1843. The evil cannot be remedied by large coinage of gold at the mint, for the moment the new coins are issued they are seized upon for export when exchange is unfavorable; so that not only does the present condition of things operate as a debased circulating medium, but also works to prevent any improvement. Some ingenious plans have been promulgated for correcting this great and growing evil without interfering with values, but it is a question which the Government will find perplexing and harassing to deal with.

The lack of small notes increases the business of the banks, and checks are drawn for sums so small as to seem ridiculous; a trouble and annoyance to banks without any corresponding compensation. It is proposed to remedy these inconveniences by again authorizing the issuance of small notes, secured, as is our circulation, by a deposit of Government securities, but the plan is assailed by many and ingenious arguments, and is unlikely to be adopted for a long time to come.

Bank accounts are more necessary in England than in other countries, and are more generally employed. This is the case not only on account of the absence of a small paper circulation and from custom, but also on account of the existence of the practice of "crossing checks," by which is meant the practice of indicating on the face of checks that they are not to be paid over the counter, but must come to the bank through the clearing-house or another bank. The banker here assumes no responsibility for a forged indorsement, nor does he require identification of a payee; therefore, crossing checks is a great security to the maker. He does it by drawing two lines across the face of the check, inserting between them the words "& Co." No money can then be obtained at the bank on such a check. It must be deposited by the payee at his own bank to his credit, and is then collected in regular course through the clearing-house. Sometimes the name of the payee's bank is inserted in the "cross," and when this is done the check will only be paid if it comes through that particular bank mentioned.

"Certification" is comparatively uncommon, as well as are also "certificates of deposit." There is a practice of receiving what are known as "deposit accounts," for which receipts are given, but the function of this account is essentially different from that of the "certificate of deposit." It is used in those English banks which do not allow interest on current accounts, and is allowed interest. It amounts to a usurpation, though a legitimate one, of some of the functions of the savings-banks. The majority of the banks allow interest on the balance of a current account when it regularly and constantly exceeds a certain sum, say £500. They do not, however, give quite the current rate. To realize this the money must be paid in as a deposit account.

In Scotland, on the other hand, the universal practice is to grant interest on the balance of the current account, no matter how small. This custom, and the system of "cash credit" there adopted, are among the causes that give Scotland a greater percentage of bank accounts to population than even England, or, I think, any other country in the world.

If the Scotchman has ten different payments to make during the day, he draws out sufficient in one sum, while the Englishman would draw ten different checks. Thus we see that the Scotchman uses his account differently from the Englishman, and with infinitely less trouble, expense, and risk to the bank.

A "cash credit" is a feature almost peculiar to Scottish banks, and is "an undertaking on the part of the bank to advance to an individual such sums of money as he may from time to time require, not exceeding in the whole a certain definite amount, the individual to whom the credit is given entering into a bond, with securities, generally two in number, for the repayment on demand of the sums advanced, with interest." They are rarely given for sums under £100, and rarely exceed £1,000, and are, as the definition shows, a modified overdraft. They frequently run for years, and are considered to be one of the happiest features of Scottish banking. They have stimulated and encouraged enterprise; they have helped struggling young men to become proprietors; they have enabled the banks to keep their notes in constant circulation, and they have encouraged men in the maintenance of integrity and high character. For who could afford to be careless when his sureties might withdraw at any moment and deprive him of his capital? It is fairly open to question, however, whether the custom would be beneficial among others than the "canny" Scot. Might it not among nations of less frugal and severe character encourage overtrading and looseness in removing an obligation which has no definite time to be taken up?

The gold circulation of the United Kingdom is estimated at £125,000,000.* The paper circulation is legally as follows:

Bank of England	£15, 750, 000
One hundred and three private English banks	3, 548, 166
46 English joint-stock banks	2, 391, 138
10 Scotch joint-stock banks	2, 676, 350
6 Irish joint-stock banks	6, 354, 494
Total	30, 720, 148

making a total gold and paper circulation of £155,720,148; but these proportions of gold and paper never exist, for the Bank of England, and the Irish and Scotch banks have invariably in circulation a large amount of notes in excess of their fixed issues, for which gold coin or bullion must be deposited, pound for pound. The average note circulation,* then is as follows:

Bank of England	£26, 500, 000
Other English banks	3, 300, 000
Scotch banks	5, 700, 000
Irish banks	6, 700, 000
Total	42, 200, 000

It will be observed that the English banks outside the Bank of England are unable to get much more than half of their issue into circulation, which condition of things is brought about by the immense power of the Bank of England and by the absence of the small note in England.

It is manifest that in adding the estimated gold circulation to the fixed issue or the actual issue of bank-notes we obtain, in each instance, a sum in excess of the actual amount in circulation, for we take no account of the gold in the banks, which, though readily brought into use, is for the time withdrawn. For instance, at no time in the year 1882 was the bullion and coin on hand in the issue department of the Bank of England less than 71 per cent. of the circulation, and in the Irish and Scotch banks the percentage is invariably over 50. But in stating the circulation of the United Kingdom it is the almost invariable practice to add to the gold circulation the *actual* issue of the banks, which

* Bankers' Magazine, February, 1883.

* At present writing it is considerably higher than this.

would give us £167,200,000, or, in dollars, \$813,678,800. Following the same rule with the circulation of the United States, we find it is \$1,488,838,554, or deducting circulating mediums of *all kinds* in the Treasury and the banks we have \$936,321,091, which approximately represents the amount in the hands of the people.*

The comparison is necessarily incomplete, and to be exact, the currency of all kinds in the banks of the United Kingdom on a given date should be deducted from the circulation at that time, but the figures are sufficient to show that the United States has a circulation far larger in proportion to population than the United Kingdom.

In completing this report it is but just for me to express my thanks, for documents furnished and information extended, to J. E. Mills, esq., manager of the Capital and County Bank; to W. H. Wills, esq., M. P.; to William Rodgers, esq., secretary of the civil service supply association; to Francis Barnard, esq., and to many others who have been at all times ready to assist me to the extent of their ability.

LORIN A. LATHROP,
Consul.

UNITED STATES CONSULATE,
Bristol, July 31, 1883.

MANCHESTER.

REPORT BY CONSUL SHAW.

I have the honor to herewith submit my reply to the circular letter of the Department dated May 15, 1883, and which reached me some time later. I have delayed furnishing my answer in order that I might be able to send with it a copy of the new English bankruptcy act, which was on its passage through Parliament. This I am now enabled to do through the courtesy of John Slagg, esq., M. P. for Manchester. The field over which the questions submitted by the Scranton Board of Trade is an extended one, and includes in one wide sweep the whole great question of English credits and financial methods. I have given the best attention I could to the interrogatories which the Department sent out, but owing to the pressure of important official duties I am painfully aware that my report falls far short of the possibilities in this field of research. I trust, however, and not without considerable confidence, that the answers and data I have been able to furnish in this connection may be found of some real value in a study of the financial credits and trade customs of this consular district.

I have taken pains to consult competent authorities in preparing my report, and particularly desire to return my best thanks to E. Helm, esq., the accomplished authority on financial matters in this section, for his very great assistance in its preparation. I have adopted this course in order that the information submitted might not partake too much of a speculative character, but reflect the opinions and conclusions of those who have given the subjects ample consideration in practical business life. It is presumed that the main object of the interrogatories addressed to this consulate is to ascertain the extent to which credit plays a part in the commerce of the district, the effect of such credit in promoting trade, the degree of risk attending its employment, and the methods by which the affairs of insolvent debtors are liquidated.

* Report of the Comptroller of the Currency, 1882.

In replying to the several interrogatories, therefore, these points will be kept well in view, but, owing to their somewhat conflicting character, I shall take the liberty of answering them in the way best suited to bring out the views held by commercial authorities here.

1. Does credit stimulate trade?—Credit certainly stimulates trade; the larger its extent the greater is the amount of business done. In this respect an increase of credit is precisely equivalent to an increase in the amount of available currency. The chief difficulty is in determining just how to limit credit within safe lines; or, to use the words of a leading merchant recently, "The vital point in this question is to find out the difference between *credit* and *credulity*." Credit signifies confidence in those who are trusted, and the safe course to be followed in granting it is a question which frequently troubles manufacturers and merchants here. The perplexing and difficult study is to learn how far credit may be extended with safety to seller and buyer. Rapid circulation increases wealth, but in order to secure this the greatest caution is necessary in the granting of credits. This is a question which every business man must carefully keep to the fore, because unsafe credits are a source of danger always.

2. Are people averse to contracting debts?—There is, as a rule, no aversion to contracting debts, but for some time past a tendency has existed on the part of buyers and borrowers, as well as of sellers and lenders, to act with caution. The "bad trade" which has long prevailed has to a large extent weeded out reckless operators, and has inspired all who accept credit in the conduct of their business to use it with moderation. This is more especially true of wholesale merchants, who have come to the conclusion largely that long credits are unwise. This view has been impressed upon the minds of that class of purchasers who have been somewhat easy in the matter of securing credits for their stocks. It may be stated, however, that the willingness on the part of purchasers to run in debt is far greater than is the desire to trust tradesmen on the part of the wholesale dealers.

3. Are there any sumptuary laws or regulations concerning credits?—There are no sumptuary laws or regulations concerning credit. Such laws were long ago repealed. Some acts having a limited application and involving a similar principle are, however, in force. Infants (that is to say persons under twenty-one years of age) can only be made liable for debts "according to their station in life." Even if ratified after the infant obtains full age such debts as exceed the due limit cannot be recovered. Some other exceptions might be named, but they are of no general importance.

4. To what extent does credit prevail in proportion to the volume of business?—It is impossible to state the extent of credit prevailing in proportion to the amount of business with anything like mathematical precision. Credit is, however, much less extensively used, both in wholesale and retail transactions, than it was ten or twelve years ago. In wholesale business open credits have been shortened and prompt payments are much more frequent than they used to be. Then, again, the amount of bills of exchange drawn against produce or manufactures transferred to buyers is much less than it was ten years ago. This fact is strikingly illustrated by the well-known scarcity of "trade bills" in the London discount market during the past three or four years. In the Manchester market for cotton goods, sales are still made upon the plan which was formerly the prevailing one, of monthly settlements, the rate of premium being $1\frac{1}{2}$ per cent. These are known to the trade as "Manchester terms." All goods delivered up to and includ-

ing the 24th of one month are paid for on the first Tuesday of the month but one following. To a large extent, however, these have been succeeded by a system of payment within a week or a fortnight, the premium in this case being $2\frac{1}{2}$ per cent.

In retail business the practice has rapidly gained ground during the past ten years of paying at once for all purchases at the time they are made. This practice has been largely promoted by the co-operative distributing associations, which, under various names, have been established for the purpose of reducing retail prices for the benefit of their members. The principle adopted by these societies is invariably that of prompt payment, and so signally successful has it been that private traders have found it to their interest to reduce their prices, and at the same time to make immediate payment an essential condition of their business. The action of the various co-operative societies in establishing this cash plan in payment for all orders and sales has had a powerful influence in extending the system to all sound retail dealers in the country. In this reform the example of these co-operative societies has been very useful and a great benefit to sound trade.

It must not be understood that there was not, even before the impulse of the co-operative societies was felt, a large amount of ready-money business in the retail trades. It has, however, been greatly extended, and the effect of its extension has been to lessen the cost of distribution by abolishing the charge for interest in the book credits of retailers, as well as the loss from bad debts in the case of all who have put their business upon a strictly prompt cash basis. Following this system, prices have been lowered, retail dealers have been spared great loss and annoyance, and a healthy and sound reform has been inaugurated.

5. To what extent do losses incidental to business prevail?—It is impossible to state with any approach to precision what is the proportion of losses incurred in business. As no statistics of any real value are available here in this connection for making a comparison, it is only possible to make a general answer to the query under this head. From careful inquiries among business men I have received widely different answers to this question.

It is safe to affirm, however, that in wholesale transactions the losses arising from the granting of credit are, allowing for the bad state of trade existing for some years past, much less than they were formerly. In the course of a commercial cycle, seasons of expansion and contraction of credit have always succeeded each other, and the losses incurred during a season of contraction are usually the simple result of liquidating previous bad business. If, therefore, allowance be made for losses due to previous bad trading, the amount due to current or recent business must be put down as comparatively small just now. The habits of business firms differ so widely in the credits they give that no general average of losses can be struck, or at least none of any value as a fair estimate.

6. Do tradesmen extend credit to mechanics and laborers readily?—Traders do not now extend credit to mechanics and laborers so readily as in former years, and the reason is obvious from what has been said about the rapid growth of the prompt cash system. This has had the effect of making tradesmen more anxious to cultivate the ready-money business and of inducing workmen to find in prompt payment a method of appreciably economizing their expenditure. In this country the desire to secure a "shop" for the sale of commodities is *very* great among the working classes. Formerly this passion to become small dealers led many to engage in business on very small capital, and to rely largely on credit for their supplies.

This system led to frequent failures and much loss and distress on the part of wholesale merchants. The healthier cash plan adopted by the co-operative societies has wrought a great change in this respect, and now ready payment is demanded of the retail class as a general rule. Where cash is paid for stock it is easy to insist on prompt payments when the same is sold at retail.

7. What advantages have cash buyers?—Prompt cash buyers get the best of everything and the most of it that is to be had for the money. The advantages of this plan are so well understood among retail dealers now that cash buyers are the rule. The competition among retail dealers is now so keen that purchasers on credit cannot command the best retail customers, in competition with dealers who pay cash for their supplies to the wholesale merchants.

8. Is interest demanded on time accounts?—Interest is not often demanded in time accounts unless they have run on much beyond the due date. In the markets for raw materials, the Liverpool cotton market, for example, interest accounts are strictly kept. But in the cotton-manufacturing districts wholesale transactions in goods and yarns are usually conducted without charges for interest, other than those which may be involved in the differences between the rate of premium or discount for prompt payment and for "monthly terms" already alluded to. As a rule, a few days' delay in payment does not involve the necessity of paying for interest as well, although in some few cases it undoubtedly does.

9. With what classes are the evils of credit most conspicuous?—Credit, within proper bounds, is in theory and by the practice of modern communities acknowledged to be useful. It is productive of evil principally when it is excessive. The tendency amongst all classes in this country has in recent years been towards a contraction of credit, and it is impossible to say whether or not such evils as still remain are more conspicuous in any one class than in another. The so-called "lower classes" here are probably the ones who suffer most from the evils of credit. These include mechanics and small tradesmen who unwisely and on small capital attempt lines of trade far beyond their financial strength. Frequently small legacies are left to this class, and then the almost universal desire is to set up in trade for themselves. Lacking needed experience, and frequently without any practical knowledge of business methods, this class of dealers rely largely on credit for their supplies, giving credit when sold, and, as a result of bad repayments and loose management, come to grief in a comparatively short time. In such cases, and they were formerly very numerous, the granting of credit was a positive evil to those who were able to obtain it. They almost always failed, and were left discouraged and penniless. The cash system does away with this evil.

10. What kind of produce or manufactured articles command cash returns?—There is no single commodity which at the present moment commands cash returns in preference to any other. As a rule, however, it may be taken for granted that raw produce meets with a readier sale for immediate cash than articles which are further advanced towards the stage of final completion. Credit obtains much more extensively in the distribution of perfected articles than in raw commodities. The reason is easily discovered. Raw produce may, as a rule, be sold at any moment and the holder may at any time borrow money upon it. But the merchant who buys finished goods must await the demand for them. Raw produce, such for example as cotton, may be converted into goods in a thousand different ways, but when once it is made into, say,

a bale of prints of definite texture, patterns, and colorings, the possible buyers of it are a hundredfold fewer. It can only be disposed of in particular markets, to particular persons, and at particular seasons. Hence it is the practice to require increased credit in the purchase of commodities the nearer they approach to the condition of completed manufactures.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?—The only credits of record in England are judgments, and the custom of confessing a judgment so as to give the creditor security has fallen almost entirely into disuse. Mortgages of realty are largely prevalent among the richer classes. In some cases they are effected for the purpose of securing to the daughters and younger sons of land-owners the payment of their "portions," the estate being devised to his eldest son subject to such payment; and in others to enable the owner to raise money for the purpose of drainage and other improvements upon the land, and in a few instances to cover his reckless expenditure.

Among the middle classes, mortgages are largely used as a means of making profits by buying and selling land with the least possible expenditure of capital. The poorer classes are not owners of land to any appreciable extent. Throughout the numerous manufacturing towns, of which this city is the commercial center, and even to some extent in Manchester itself, workmen are owners of small houses. These are occasionally built upon freehold land, but much more frequently upon land leased for 999 years, subject to an annual payment for rent, which usually varies from one penny to six pennies per yard. In very rare cases these houses, or cottages as they are commonly called, are built by the work-people themselves, but for the most part they are bought from speculative builders. The number in the possession of a single owner is from one to a dozen of these cottages. In some cases they are mortgaged in the usual way, but more frequently they are held as security by a building society, from which the owner has received an advance. Every month a payment to the society becomes due for interest and in reduction of the principal sum lent. Usually the scale of repayment is so adjusted as to extinguish the debt in the course of about sixteen years. The workman is thus enabled out of his earnings to become, in course of time, the owner of his own dwelling; and, it may be, of one or more other cottages besides. The funds at the disposal of the societies are derived mainly from deposits, upon which the rate of interest allowed is five per cent. Although these deposits are subject to repayment at short notice, a rule is inserted in the constitution of most societies providing against the risk of a sudden "run" upon their funds by depositors. This provision takes the form of a regulation by which repayments can only be demanded to the extent of the funds actually in hand. About five years ago much alarm arose amongst the depositors in consequence of the heavy fall which had taken place in the value of buildings and of the consequent losses which some of the societies had sustained. A rapid withdrawal of deposits set in, and the societies were obliged to put in force the rule to which reference has been made. Depositors who had given notice for the return of their money could therefore receive it only in installments out of the funds accumulating month by month from the repayments of borrowers. Of course, during this period of excitement, which extended over the greater part of six months, the societies gained few fresh deposits. Even now there is nothing like the former readiness to deposit money with building societies, and some which are still struggling with their difficulties can command no

new funds. This feeling of distrust has grown out of the belief that property is depreciating in value, and that a general fall in rents must inevitably follow. Those who place small deposits in such societies are often easily frightened, and a "scare" once started takes a long time to run its course. On the whole, however, the position of these societies is much improved and confidence is steadily growing. There can be no doubt that some of the societies have been badly managed, but the chief source of their difficulties has been the excessively high price to which real estate in English towns rose between 1875 and 1878. In the former year the report of the Parliamentary committee on foreign loans was published. It showed that vast sums of money saved in the United Kingdom had been invested in foreign government or municipal loans, and that much of it had been irreparably lost. From that moment foreign investments fell in the estimation of the public and a reaction in favor of home investments set in.

It was one consequence of this reaction that deposits with building societies became a favorite method of employing savings. There can be no doubt that the readiness with which the building societies were able to obtain funds contributed largely towards raising the value of urban real property between 1873 and 1878, and that it was the cause of much of the mismanagement of these societies. An abundance of funds made them overventuresome, and unsound schemes for enhancing the value of property through new buildings led to a lot of foolish undertakings, many of which proved disastrous failures. The ruins of some of these enterprises are still felt by subscribers, and this, too, keeps alive the fears about this species of investments. At present, however, the position of the building societies is rapidly improving, but some of them are not yet quite "out of the woods." The value of real property is not now falling, or at least not to an extent lately seen, and in some directions there are distinct signs of a reaction. If these should increase, there can be no doubt that a lively competition for this class of property would follow.

Mortgages of chattels or bills of sale (as they are here called) were until the beginning of this year in very large use amongst the lower classes and small tradesmen. Registration, with a view to publicity, was required in most cases, but, when registered, bills of sale gave the creditor absolute priority over any one (except the landlord) even in case of the debtor's bankruptcy, and they were on that account very extensively used by the worst class of money lenders, and in some hands they became instruments of gross extortion. This priority has now, however, been abolished by the bills of sale act of 1882, which, by making void all bills of sale for amounts below £30, and by other salutary and stringent provisions, has remedied an iniquitous system, and has reduced the number of bills of sale to about one-twentieth of that formerly existing.

12. When a person has once failed, or has been discredited, can he resume, and what are obstacles to such resumption?—When a person has once failed in business and has obtained his discharge, there is no obstacle to his resuming except the difficulty of obtaining credit, and of course this is a very serious one. The failure of a man in business here is generally considered upon its merits. If a failure, in the opinion of the people, has been caused by a lack of reasonable caution or undue extravagance, it is very hard for the bankrupt to again secure the confidence of capitalists or to obtain credits from old customers. If, however, business misfortune is the result of the accidents common to the trade, and where misfortunes have carried down an honest and plodding merchant, then great sympathy is sure to be shown him in

his efforts to build up his shattered fortunes anew. The good old rule that "honesty is the best policy" is in active force here, and where honest dealers fail there is a chance always for them to rise again through the aid of friends who do not hesitate to assist in re-establishing them in business again. But for tricksters this is a bad atmosphere. "Once bit, twice shy," is a saying that has a wide application in this center.

13. Is bankruptcy frequent?—The number of bankruptcies is dependent almost entirely upon the condition of trade. This, in fact, is an almost universal rule, applicable to all civilized countries. During the current year they have not been unusually frequent, although it has been known that a new and stringent measure for dealing with insolvents was before Parliament. This fact speaks volumes for the general character of business, even at a time when a series of poor harvests and a period of low prices in manufactures has prevailed. The new bankruptcy act, to which allusion will presently be made, has received the royal assent, and some of its provisions came into effect on the 25th ultimo. The greater portion of them, however, do not come into force until the 1st of January next. A table of comparative failures for several years will be found at another place in this report.

14. To what extent do relief acts in bankruptcy prevail?—A copy of the new bankruptcy act is appended to this report. The chief improvements which it is intended to introduce into bankruptcy procedure are these: No arrangement for composition or liquidation will be valid which has not received the sanction of the court. The proceedings must throughout be conducted under the cognizance and with the final approval of the court. The proceedings are hastened, and the power of the settler to turn the liquidation to his own advantage through the agency of friendly creditors is much lessened if not altogether taken away. Then, too, the funds realized in the liquidation of a bankrupt's estate must be promptly lodged within the control of the board of trade, and chiefly at the Bank of England. All debtors must be publicly examined in court with regard to their affairs. An important order has just been issued in pursuance of this act, requiring all trustees and other persons holding undistributed funds on account of former bankrupts to furnish particulars of them to the board of trade and to pay any amounts remaining in their hands or under their control to the Bank of England to the credit of the board of trade. This provision is timely and meets a demand that has long been felt for the prompt realization and settlement of bankrupts' estates. There has been great laxity in the past in this country in dealing with such estates, and the present law furnishes a sharp and sure remedy for past evils in this connection.

15. Are fortunes readily made and lost?—Fortunes are not readily made just now. It may, also, be claimed that they are not readily lost. During seasons of rapidly fluctuating prices, as, for example, during the "cotton famine" and the period of the late American war, and during the Franco-German war, large fortunes were frequently made and some of them were very quickly lost within a short period of the time when they were acquired. But at the present time in this district there are small hopes of acquiring fortunes at a venture, or of losing them, as the conditions surrounding business are such that plodding methods are enforced by banks and all business men. There has been a hard fight during the past four or five years among many of the great interests in this district to hold their own without any reference to adding to their fortunes. The race for wealth is a keen one at present, and competition renders it no easy matter for business men to rapidly amass fortunes.

16. What are the general effects of credit?—As a rule it may be taken for granted that credit stimulates demand, and that it consequently raises prices. When confidence is strong and credit easily obtained prices of commodities and real estate are driven upwards by the force of competition amongst buyers. And the advance of prices tends to stimulate credit still further. Borrowers who can show that they have made “a good thing” by buying in a rising market are trusted all the more freely on that account. Thus the movement goes merrily onward until at last a check is experienced and the conditions attending the period of expansion are all reversed. Then succeeds a period of drooping and afterwards of persistently low prices, accompanied by contracted credit and universal caution. Afterwards there is a season, often prolonged, of slow recovery. At present, in this commercial center, the trade appears to be in the midst of such a transition movement. Business men, whether manufacturers or merchants, complain very loudly of the difficulties of realizing profits, although they readily express the hope that brighter days are not far off. That “times are hard” all admit, and there is a painful longing on the part of all for the long looked for and still deferred era of good trade. Probably the most remarkable feature of the present season of depression is that whilst capitalists have suffered very severely, the manual-labor classes have enjoyed full employment and comparatively excellent wages, and that the cost of living has fallen so far as to constitute an equivalent to an actual advance in the price of labor. The causes of this singular phenomenon are rather obscure, but they are evidently worthy of serious investigation.

In fact, just now a lively discussion is going on between the representatives of operatives on the one hand and the employers of labor on the other as to the reduction of wages. A strike on a considerable scale has already taken place in this district, and a serious one is threatened in case manufacturers persist in their threatened resolution to reduce the rate of wages. It is claimed by manufacturers that they have not made any money for a considerable period, and that the time has come when action for their relief must be taken. The operatives are loath to accept this cure for the ills of the manufacturer, and which course will be adopted it is at this writing impossible to determine. The situation is one of unrest, and is doubtless more serious than many are willing to admit. I anticipate, however, that an understanding will be amicably reached, so as to avoid a disastrous strike—a remedy of doubtful wisdom in a great majority of cases.

CHARTERED ACCOUNTANTS.

In a recent conversation with Edwin Guthrie, esq., F. C. A., of Manchester, in reference to the information sought in the circular of the Department, he very kindly promised to submit his views of the same in writing. This he has done, and his letter is so able, and contains so much matter of special interest in this connection, that I believe its publication will be most useful. The description given of the English system of “chartered accountants” will, I am sure, be found very interesting. So far as I know, there is no similar organization in the United States. Mr. Guthrie informs me that, in connection with his Manchester partner, he has entered into arrangements for a partnership with a well-known accountant in New York, so as to extend the useful operations of the organization to the United States. I believe this system worthy of the close examination of our business men, as it has worked admirably in this country.

Through the courtesy of Mr. Guthrie I am able to forward herewith a bound copy of the English charter and by-laws, with a list of mem-

bers of the "Institute of Chartered Accountants in England and Wales." The various tables accompanying this letter have been carefully prepared, and furnish much valuable data in a concise and convenient form. I desire to acknowledge my great obligations to Mr. Guthrie for his courtesy in preparing this admirable response to the questions submitted to him. Coming from one fully competent, and who has had much experience, both in theory and in practice, in commercial affairs, it is specially opportune.

It may be well to further state briefly that the system of "chartered accountants" is regarded in England with great confidence and favor. There is a well-organized and specially educated class of accountants whose business consists in supervising the accounts of private firms, public companies, banks, &c. By paying a retaining fee to a firm of chartered accountants any one can have the books of any enterprise with which they are connected carefully examined by an expert, without in any way casting suspicions on book-keepers, cashiers, secretaries, or others. The practical effect of this system is this, in part: Book-keepers, and those responsible for public or private trusts here, know that, at any time, they may expect a visit from an accountant sent by the firm in whose charge, in a sense, the books are placed. This plan has many obvious advantages, which will readily appear to every one. Many gentlemen connected with public or private trusts are virtually at the mercy of book-keepers and haphazard "auditors"—men who are frequently unfitted to exercise the important functions they are called upon to perform. In England the "chartered accountants" furnish a cheap, efficient, and responsible agency whereby the books of any concern, either private or public, can be properly and perfectly examined. It is largely the custom in this country to retain these "chartered accountants" to supervise the books of individuals or corporations, &c. The system is well known and highly esteemed, and when an "accountant" comes to examine the books, the book-keeper is given a "leave" for a day or more, and no one regards the professional examination with the least aversion or suspicion. It is a business custom, and as such is looked upon as a necessary and desirable system. I believe that a similar organization in our country would become most useful and popular. There is a wide field for its operations and great need of some better professional inspection in a multitude of interests, both private and public. In the belief that this English system of "chartered accountants" is worthy of the fullest examination, and also of being adopted by our people, I have taken the liberty of furnishing these details, and transmitting full data bearing upon the laws, regulations, forms, &c., of this organization.

MR. GUTHRIE'S REPORT ON THE CREDIT SYSTEMS OF ENGLAND.

32 BROWN STREET,
Manchester, September 12, 1883.

MY DEAR SIR: The following remarks contain the result of my observations upon the list of queries you have submitted to me, and I trust you will find them sufficient to enable you to throw them into such shape as you may desire for your purpose.

I have not adhered to the categorical form, but I believe that all the points of the interrogatories are answered.

There is no doubt that trade of this country in its expanded proportions is greatly stimulated upon credit.

This credit takes two forms: It is either on "open account," or on "promise to pay"; that is to say, the credit may be given either for a term, more or less defined, or the time may be defined absolutely under a negotiable bill of exchange.

In the former case the giver of credit in cash or goods must needs have a corresponding amount of credit or capital to enable him to lie out of the amount in question.

In the latter case, the credit transaction may not, necessarily, represent either

credit to the creditor or his possession of corresponding capital. He may retain until due, or discount, or pay away the paper so taken, according to his financial convenience from day to day. The banks flourish to a very large extent upon the discounting of commercial paper of this order, relying for their security upon the names of drawer and acceptor, and rediscounting with their own indorsement at the Bank of England or other places at a profit.

This is the principle of credit on a large scale, and it will not be necessary herein to explain all the interchangeable relations in connection with bills of exchange, which are well known.

So far as actual realizable value lies behind the bills, the credit so created is upon a sound basis. Bills of accommodation are bad in principle and also in law, except in favor of third parties, who may have discounted them for value. On the other hand, there is no defense for non-payment of a genuine bill. Thus bills serve the further purpose also of ratifying the terms of the transaction to which they relate.

As a matter of fact, the bulk of the trade of the country, especially as between merchants, is done upon this basis of credit, but it does not apply to all trades.

The following is a general indication of the nominal terms of credit in relation of some of the principal industries and classes of the community, commencing with the origin of property, labor and the produce of the soil :

Wages.—Wages are, of course, always paid in cash by the week, day, or piece. Where piece-work is done, weekly payments are almost always made on account upon the basis of a weekly rate.

Farm produce.—To some extent advances are made to farmers upon growing crops, but unless made by the landlord the security is not regarded as good, for rent is a first charge, with power of seizure, by the landlord, of all property upon the farm. In the market (and the bulk of farm, dairy, and garden produce and live stock is carried to the public market), transactions are for cash. From this point the element of credit is introduced in respect of the principal commodities of this class, such as grain, although even in this, credit is principally in respect of imported produce.

Coal.—The terms of the trade are generally $2\frac{1}{2}$ per cent. discount for cash on monthly accounts, payment to be made on the 10th of the month following the month of delivery.

Iron.—The terms of trade are generally: Scotch pig, net cash on day of transfer; other kinds, $2\frac{1}{2}$ per cent. discount for cash in fourteen days.

Cotton.—The terms of the trade are, payment in ten days after date of invoice, less $1\frac{1}{2}$ per cent. discount. The brokers, however, are generally open to accommodate spinners who desire such accommodation; by brokers being willing to offer capital facilities, as by so doing their debtor customers become more or less tied to them for the continuation of business.

Yarn.—The terms of this trade are twofold :

Home trade : $2\frac{1}{2}$ per cent. discount for cash in fourteen days, or $1\frac{1}{2}$ per cent. discount on monthly account; that is to say, all goods supplied to 24th of any month to be paid for on last Friday of following month. These are called the "Manchester terms."

Shipping : $1\frac{1}{2}$ per cent. discount in fourteen days. (At this stage the goods generally pass under bills as before mentioned, and it may here be convenient to mention that bills drawn on consignees are generally of much shorter date than formerly, for the increase in the facilities of transit and communication enable the more rapid realization of goods in foreign markets. For example, bills on India, or drawn in India on London, which formerly were generally at ten months' sight, are now generally at six months'.)

As brokers act in the purchase of cotton, agents act for spinners and manufacturers for the sale of yarn and cloth, and the wealthier agents are always open to advance on the value of stocks placed in their warehouses.

Wool.— $2\frac{1}{2}$ per cent. discount for cash in fourteen days; but in this class of produce, as in the case of cotton, the brokers lay themselves out to aid the manufacturer in the matter of credit, either by cash advance on purchases, or bills.

General.—The internal trade of the country, from the manufacturer to the retailer, may generally be taken as done on three to four months' credit under bills.

Rent is generally made due in advance, but is not collected until close of periodical terms. For the dwellings of the working classes the payment of rent is made weekly, while in respect of larger houses, business places, &c., generally quarterly; country properties and farm and other land generally half yearly.

Warrants.—Credit facilities are also largely given by the system of dock and warehouse warrants, which represent produce deposited in the warehouses of public or private mercantile corporations as trusts.

General trade credits.—The above enumeration may be taken as fairly indicating the nominal terms upon which the general trade of the country is carried on. But, in the competition for business, departures are numerous, traders being generally willing to afford credit according to degree of estimated safety, regulating extensions of credit in account current with interest at 5 per cent., which is the legal rate where no other terms are specially arranged, and, as before mentioned, goods change hands,

especially as between merchant and merchant, much more largely on three and four months' bills than upon cash terms.

It is a matter of common complaint that the facilities of credit are too easy, often enabling men of small means to undertake, and indeed tempting them into, transactions which should only be undertaken by men of larger position. This arises especially in cases where advances are made upon actual deposits of property. Thus it has been disclosed in the cases of some extensive failures that as much as 90 per cent. of actual cost, and even more, has been advanced upon the value of goods consigned abroad, bill of lading accompanying bill of exchange. Men of straw, succeeding in obtaining goods upon short credit and carrying on transactions in rapid succession, have often been thus enabled to assume a fictitious affluence for a while, and, unless greatly favored by the course of the markets abroad, have ignominiously failed. In this case the secured creditors, holding goods at some advantage as against the *bona fide* shipper, generally obtain payment in full, while the unsecured, who have parted with their goods, receive only a small dividend, if any at all.

Corresponding incidents are most common of all in the case of speculating builders, who, if able to obtain credit, may fix property so obtained upon real estate upon which mortgagees may have advanced full value, or at least all that is realizable upon it in the event of sale by order of the mortgagees. This is a very frequent occurrence whenever a depression sets in in the value of real estate.

Mortgages are a very common form of security, real estate being sought by trustees of trust funds, and for investments of the surplus funds of insurance and other corporations who by the nature of their business have to accumulate reserves. The mortgagors are generally householders in respect of the houses they own, manufacturers in respect of their mills, and sometimes country landed proprietors in respect of their estates. The first-named pay interest at about 4 to 5 per cent. per annum; the second at 4 to 6 per cent.; the last-named at about 3 to 4 per cent.

BANKRUPTCY AND BANKRUPTCY LAWS.

England, Scotland, and Ireland have their separate bankruptcy acts. The bankruptcy laws of England have been frequently changed, alternating between severity and leniency. The act of 1869, which will be superseded on the 1st January next by an act just passed, has been generally regarded as too lenient, and as facilitating the discharge of debtors from their liabilities, and permitting them too easily to resume business operations.

The act provided for three methods of dealing with the bankrupt and his estate:

1. Bankruptcy through the administration of the court.
2. Liquidation by arrangement.
3. Composition.

The mode of winding up being at the option of the creditors.

The first-named process has been the least employed, being generally limited to aggravated cases and as a punishment of the debtor; the second course has been more generally used.

In any case the estates were immediately vested in trustees whose duties were to realize and distribute, and who were selected by the creditors; the creditors, except in specially aggravated cases, generally at once giving the debtor his discharge.

Members of the Institute of Chartered Accountants in England and Wales were generally selected to fill the office of trustee.

In cases of composition, a majority in number representing three-fourths in amount of the creditors could bind the whole.

The act also contained penal clauses which have been very little used; for it has been found difficult to prove fraudulent intent, and it has been no person's particular business to put himself to expense and trouble in vindication of the public.

In the cases of small estates—and about 60 per cent. of failures are in respect of estates having assets of less than £200—the expenses of liquidation have been very great in proportion to value, to a great extent necessarily so, for certain of the legal and official acts in connection with a failure are almost identical, whether estates be large or small in value.

The new act is intended to be much more stringent in its application and effect. Amongst other things, it provides for the vesting of estates in the first instance in Government receivers, although it leaves it open for the creditors to afterwards appoint their own trustees for the liquidation of estates exceeding £300 in value. This will limit the option to about 10 per cent. of the failures.

The court will in all cases exercise discretion in the matter of the debtor's discharge.

In the past the subsequent career of persons who have failed in business has been very various. While some have been never again able to resume business, many others have succeeded in doing so; but the event more or less affects most persons for life. In the larger phases of business revival is more difficult than in the smaller. Amongst the keepers of retail stores the resumption is most common. It may be taken that the resumption of business is in proportion to the amounts required to make a fresh start being large or small.

In cases of failure nothing is reserved for the debtors, and to withhold any property is severely punished by imprisonment.

There are cases of private voluntary liquidation of insolvents, but they are not often practicable, as, to carry out such arrangements absolute unanimity has to be secured, which is not easily obtainable amongst a large number of creditors. The application of the bankruptcy act was limited to a total indebtedness of not less than £50. Appended is a table exhibiting the statistics of failures over the last ten years.

So far this review has been limited to the larger or wholesale aspects of trade.

RETAIL CREDITS.

The retail departments may now be noticed.

For years past there has been a noticeable tendency to encourage cash and discourage credit dealing in retail stores, tradesmen offering large rates of discount to cash purchasers. But still the wealthier classes, as a rule, continue to buy their household stores on monthly, quarterly, or half-yearly account, and the middle and working classes do the same, more or less; but, naturally, the smaller the means of customers and the less locally permanent the ties of the individual, the shorter becomes the period and the smaller the amount of credit obtainable.

There has been of late years a great development of stores at which may be obtained household goods of all descriptions for cash. People of all classes become members of those stores. The prices are fixed at the lowest point sufficient to cover cost, and any profit beyond goes to pay a dividend to the members providing the necessary capital, or to the buyers in proportion to the amount of their purchases. All sales at these stores are for cash on the counter, so that no accounts have to be kept with members. Under this system of retail trade no debts, and consequently no losses, can occur from failure to pay. In some cases tickets are issued with each purchase to the amount thereof, and the surplus profits, after paying a fixed rate on capital, are divided as a dividend upon these accumulated tickets on their being presented at the store.

It was the working classes who led the way in this system of trade by the establishment of co-operative stores. The great stronghold in the system is in the cotton and woolen manufacturing districts. It has been a conspicuous feature in the encouragement of thrift and the spirit of independence which is conspicuous in the masses in those districts, of which this city may be regarded as the center.

CHARTERED ACCOUNTANCY.

In the above remarks I believe all the interrogatories are answered, but there remains one feature in relation to credit which merits special mention, and that is in respect to a basis of confidence upon which credit is frequently given. It rests in an institution which may scarcely be said to have any existence in any other country than Great Britain, and can scarcely be said to have had an existence on a wide scale here for more than from thirty to forty years. I refer to the profession of accountancy, which was called into existence gradually by the great development of trade during the last half century, and of the numerous financial institutions incidental to trade and manufacture.

At the present time the accounts of banks, municipal corporations, railroad, water companies, gas companies, mining companies, coal and iron companies, and manufacturing and trading corporations, as well as of private firms, place their accounts in the hands of professional accountants, to be constructed or audited and certified as correct. The audit involves a general investigation of the affairs of the concern in question, with an examination of securities and other assets. Upon the confidence afforded by accounts so vouched, and when required produced to bankers and others, much of the credit so contributory to enlarging the volume of trade done in this country may be attributed.

To such degree of importance did this profession attain that in 1880 a royal charter of incorporation was granted, incorporating as one body the duly accredited public accountants practicing in England and Wales under the title of the Institute of Chartered Accountants in England and Wales. This institution now numbers about 1,235 members, and is governed by a council of 45 members, who were appointed by the charter in the first instance, being afterwards elected by the general body. In this country the existence of the profession has become a necessity, and it appears to me a like necessity has been developed in America in the great expansion of her home trade and commercial, manufacturing, and financial growth. It is quite certain that American institutions, such as the life offices, seeking to cultivate business in this country, would do well to have their accounts examined and certified in a manner corresponding to the accounts of competing companies having their domicile here.

If there are any points upon which you should wish me to amplify the above information or comments I shall be glad to be at your service.

Yours, faithfully,

ALBERT D. SHAW, Esq.,
United States Consul, Manchester.

EDWIN GUTHRIE.

Failures in the United Kingdom from 1877 to the year ending 1882.

Trade.	1877.	1878.	1879.	1880.	1881.	1882.
RETAIL TRADES.						
Accountants.....	40	50	51	84	18	19
Actors.....	16	24	32	28	12	12
Aerated water, ginger beer, &c.....	8	43	47	38	28	20
Auctioneers, house agents, and surveyors.....	112	139	175	141	133	140
Bakers.....	183	307	319	325	340	297
Blacksmiths.....	52	93	83	67	64	46
Boat-builders, mast-makers.....	21	16	19	13	19	11
Brewers.....	22	56	52	40	37	35
Brick-makers, lime-burners.....	31	47	90	45	64	33
Brush and basket makers.....	17	22	29	27	33	23
Builders, architects.....	618	805	893	644	605	652
Butchers.....	326	399	321	338	302	293
Cab drivers.....	22	18	9	12	12	17
Cab, omnibus, &c., proprietors, livery-stable keepers.....	61	96	76	74	75	62
Cabinet-makers and upholsterers.....	157	173	215	146	134	120
Carpenters, turners, and wheelwrights.....	193	453	474	304	290	281
Carriage-builders.....	57	74	62	61	39	55
Carriers and cart owners.....	22	69	61	44	53	21
Carvers, gilders, &c.....	15	28	22	22	15	21
Cattle and horse dealers.....	68	85	78	81	73	41
Chemists and druggists.....	76	96	96	95	62	72
Clerks and commercial travelers.....	170	245	262	199	183	184
Clerks in holy orders.....	36	34	25	40	30	32
Coal dealers.....	68	83	141	144	159	129
Coffee and eating house keepers.....	16	40	32	41	41	39
Confectioners.....	74	77	81	86	75	61
Coopers.....	10	14	28	21	11	16
Corn chandlers, hay and straw dealers.....	51	92	116	109	98	76
Cow-keepers and dairymen.....	42	55	86	77	83	60
Drapers, hosiers, &c.....	492	594	713	449	374	356
Dyers and cleaners.....	7	12	9	3	8	-----
Engineers in navy, and officers in army and navy (active and retired).....	28	33	20	25	21	17
Farmers and farm bailiffs.....	485	821	1,445	1,237	875	596
Fishing-smack owners.....	15	33	29	26	26	17
Fishmongers and poulterers.....	106	139	112	121	97	96
Furniture dealers and brokers.....	84	89	110	44	50	64
Gardeners and market gardeners.....	30	43	38	56	63	47
General dealers in curiosities.....	131	167	267	197	223	211
Glass and earthenware dealers and potters.....	50	75	113	72	60	65
Green grocers, fruiterers, and potato dealers.....	137	240	210	177	160	110
Grocers and provision dealers.....	1,062	1,443	1,470	1,366	1,226	1,088
Hair-dressers and perfumers.....	42	41	39	23	37	30
Hatters.....	41	43	66	38	45	38
Ironmongers, japaners, and tinmen.....	155	225	264	208	151	172
Jewelers and watchmakers.....	124	220	194	147	117	101
Laborers, bricklayers, and masons.....	120	222	292	239	255	188
Leather dealers.....	16	24	27	19	15	15
Lodging-house keepers.....	31	38	48	58	81	49
Looking-glass makers and picture framers.....	6	80	37	20	23	16
Mariners.....	14	14	20	12	6	-----
Millers and corn dealers.....	36	87	87	88	76	56
Milliners and artificial florists.....	57	91	85	63	75	60
Miners and colliers.....	94	37	24	89	36	26
Music sellers and publishers.....	15	25	25	20	17	17
Musical-instrument makers and dealers.....	21	26	19	17	16	18
Newspaper proprietors and journalists.....	5	17	14	11	9	5
Nurserymen and florists.....	20	36	46	49	34	33
Oilmen.....	27	46	39	52	56	60
Opticians.....	6	10	15	4	2	8
Pawnbrokers.....	15	27	17	14	9	17
Photographers.....	15	48	25	22	18	18
Plumbers, painters, and gas-fitters.....	231	336	336	250	251	241
Printers, stationers, and engravers.....	143	237	227	138	159	120
Professors of music.....	8	12	13	12	8	11
Publicans.....	819	1,183	1,258	916	859	813
Saddlers and harnessmakers.....	67	97	105	59	93	59
Schoolmasters.....	57	60	68	64	54	55
Shipwrights.....	10	15	11	7	2	11
Shoe and boot makers and dealers.....	313	378	457	369	301	316
Solicitors.....	34	72	72	65	63	88
Stock-brokers, jobbers, &c.....	23	17	19	10	13	26
Surgeons, physicians, and dentists.....	62	70	92	70	71	59
Tailors.....	348	384	446	311	298	314
Timber dealers and sawyers.....	20	31	32	21	30	46
Tobacconists.....	68	102	102	86	99	85
Toy and fancy dealers.....	28	24	41	45	31	38
Tradesmen's assistants.....	100	93	85	77	87	68
Undertakers.....	5	10	6	11	9	13
Miscellaneous.....	231	301	367	351	422	389
Private persons.....	311	311	448	585	530	488
Total.....	11,152	12,472	14,080	11,669	10,679	9,705

CREDIT AND TRADE SYSTEMS OF ENGLAND.

Failures in the United Kingdom for the ten years ending 1882.

Trade.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.
WHOLESALE.										
Agents, commission, yarn, &c.	177	138	75	192	227	243	205	146	105	94
Bankers, joint-stock banks, and foreign bankers	5	5	3	2	1	8	5	1	3	1
Boots and shoes	112	91	80	116	103	167	179	130	91	114
Brewers	18	17	21	23	31	23	27	20	8	8
Cigars and tobacco	13	4	8	12	12	10	5	5	10	5
Cement, asphalt	1	6	.....	6	5	7	5	9	.....	6
Coal	28	65	97	147	135	158	125	72	60	32
Contractors	20	37	44	44	73	56	30	15	5	5
Corn merchants, millers, &c.	64	72	63	62	75	92	57	30	28	32
Cotton and colonial brokers	21	8	20	13	9	90	10	10	12	11
Cotton spinners and manufacturers	44	20	31	42	55	64	79	25	25	33
Carriers, land and water	27	83	30	46	82	63	67	22	28	45
Carriers, land and water	5	.....	3	4	.....	3	2	9	.....	.....
Discount and bill brokers	17	13	25	20	20	41	30	13	17	9
Druggists, wholesale, and manufacturing chemists	62	53	39	44	92	64	76	31	46	31
Drysalers, oil and color	27	27	28	28	30	35	39	31	23	25
Dyers, bleachers, and finishers	4	6	5	8	18	18	7	7	8	5
Electro-platers	179	223	235	242	287	381	399	209	218	186
Engineers, founders, iron, metal, and hardware dealers, &c.	8	12	13	12	17	6	7	4	2	8
Financial agents	17	20	13	23	21	28	20	10	10	15
Glass, lead, earthenware	17	23	12	23	21	28	39	22	22	15
Hats and caps	4	2	2	5	8	8	7	6	3	4
Hops	24	25	31	55	29	29	42	20	17	16
Jewelers	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Manufacturers and merchants of woolen, worsted, elastica, silk, stuffs, hosiery, &c.	180	194	192	151	190	272	298	159	166	168
Merchants	228	208	247	216	205	217	202	132	133	132
Oil-cloth	38	37	59	58	50	83	5	2	2	.....
Provisions	16	15	16	-21	28	45	41	35	26	34
Rope sails	31	39	49	42	36	66	64	24	21	15
Ship-builders	8	12	3	10	11	26	20	7	8	25
Stationer, paper, &c.	20	35	15	37	40	34	38	19	22	29
Sugar-refiners	1	.....	.....	.....	1	.....	.....	.....	.....	.....
Tea, coffee, and groceries	26	26	13	23	17	38	29	26	17	17
Timber	27	27	41	47	57	103	90	40	36	84
Warehousemen and importers of foreign goods	129	117	110	136	120	120	82	47	42	68
Wine and spirits	106	87	121	128	109	129	118	72	71	73
Wool staplers and merchants	13	23	15	15	4	11	24	11	13	9
Woolen and cotton waste	40	25	12	33	32	28	27	7	14	19
Total wholesale	1,745	1,751	1,726	2,089	2,172	2,643	2,546	1,478	1,325	1,314
Total retail	.....	.....	.....	.....	11,152	12,472	14,080	11,669	10,679	9,705

CONCLUSION.

What are the effects of credit?—There is, of course, scarcely any limit to the discussion which this query in the list of interrogations might evoke. It is in England, as it is elsewhere, a well-known rule that cash or prompt payments furnish a basis of commercial transactions of the soundest possible character. Credit at long dates means questionable security and a consequent risk. Cash payments show undoubted security, and tend to lessen the burden of percentage for the use of money to meet bills, &c. Long credits frequently lead to losses, and tend to unsafe expansion in trade with a class of merchants who incautiously make overpurchases because of willing credits. The results too often are that the merchant gives irresponsible customers credit in order that he may sell his goods, and at last, when bills become due, the latter finds it impossible to meet his obligations, and failure overtakes him because of overpurchases on credit. The temptations which easy credits bring to merchants are great. They are often induced to make purchases on credit which they would not for a moment entertain were they called upon to pay cash for the same.

When capital is abundant and cheap, long credits are dangerous as a rule. The varying conditions of trade are such as to make extended credits an uncertain element in the safe calculations of business men. This is more and more coming to be the conviction of English merchants and manufacturers. The danger is greatest when there is an anxious surplus of capital. The tendency at such periods is in the line of easy and speculative credits to secure use for the same. Venturesome advances, based upon conditions more or less uncertain, are made in times when money is cheap and abundant. In England sound investments that will pay $3\frac{1}{2}$ per cent. are hard to find. This leads to difficulties in securing profitable employment for an enormous surplus capital, and thus it comes about that vast sums are annually advanced to promote enterprises that are largely speculative in the hope of securing big returns for their money.

The custom of furnishing prominent houses that sell for cash or prompt payment only with lines of goods on "open account," is not uncommon. In such instances the business habits and respectability of such firms are well known, and a keen oversight is kept of their transactions. Manufacturers and merchants are mutually benefited by this arrangement, for the former know where to promptly place their goods, without commissions, and the latter have the advantage of securing supplies at the best manufacturers' prices. Where a firm is interested in pushing the sale of their line of goods, a ready market is open to manufacturers, and they can judge what the demand for their special line of goods is to be by the way they are taken up by consumers.

A copy of the bankruptcy act* passed at the last session of Parliament is appended to this report. Inasmuch as it embodies the considerate judgment of some of the ablest financial and commercial authorities in England, I feel that it would serve a good purpose to have it printed in full in connection with the replies received from the consular officers to the important circular sent out by the State Department. It is in fact an exhaustive survey of the subject of bankruptcy crystallized into law.

ALBERT D. SHAW,
Consul.

UNITED STATES CONSULATE,
Manchester, September 27, 1883.

* Published in Appendix.

LEEDS.

REPORT BY CONSUL DOCKERY.

I have the honor to answer circular making inquiries regarding the system of credit, &c., as follows:

1. Does credit stimulate trade?—Most certainly.

2. Are people averse to contracting debt?—No.

3. Are there any sumptuary laws or regulations concerning credits?—There are no such laws nor any hard and fast regulations concerning credits. The terms of credit vary very much, as much, indeed, if not more so than the numerous different trades and industries themselves, and even in the same trade the term will vary according to the state of trade, the extent of the transaction, the financial conditions of both seller and buyer, and other minor circumstances. The instances in which credit is extended to a year or more are very rare, six months being generally regarded as a very long term, and from this period down to fourteen days, according to the varying conditions, it is believed, that the greater part of the business of the country is transacted. Three months in the larger class of transactions is the usual term allowed, and on the invoices of goods sold on said terms it is usual to state that a discount of $2\frac{1}{2}$ per cent. will be allowed for cash within a month. While there is a general disposition to extend the credit system, there is also a tendency towards shortening the term to one month. The system of discounts has grown apace with that of credits, and in some of the small trades where long credits prevail goods are marked in price-lists at as high as 15 per cent. above what they could be bought for by cash payment, and if cash is paid a discount of 15 per cent. is allowed to the purchaser. The extra 15 per cent. being put on with the special object of taking it off again in case of a cash transaction, it would appear as if this class of tradespeople were endeavoring to encourage a return to cash payments; but, as before remarked, this appertains chiefly to small trades and long credits, so that it need scarcely enter into a consideration of the effects of the credit system.

Regarding discounts, I have further to remark that in certain large industries discounts not only vary very much, but also appear excessive. In the same industries, however, the published price-lists scarcely ever vary; indeed, no matter what changes occur in the price of raw material or the cost of its manufacture, the price-list remains the same, the sales being made on the discount system, which, like credit, hardens or softens as the exigencies of the moment require. This has special reference to the linen-thread trade, the discounts in which range from $7\frac{1}{2}$ to 25 per cent., and the manufacturers only pretend to issue a new price-list once each year, usually, I believe, in the month of October. During the past six years the discount in this trade has been materially increased, at least so far as transactions with American account have dropped to practically nil, while the consignments subject to the extended discounts have increased in the inverse ratio. Another branch of industry in which very large discounts are allowed, is that known as "*Sheffield goods*," which are made by hackle and gillpin engineers, who will take 40 to 50 per cent. off their invoices, and still give one or two months' credit.

4. To what extent does credit prevail in proportion to the volume of business?—The bulk of business is conducted on the credit system, the

approximate amount of which, however, is not ascertainable, but I should put it at two-thirds of the whole.

5. To what extent do losses incidental to business prevail?—(See observations on question No. 13.)

6. Do tradesmen extend credit to mechanics and laborers readily?—No.

7. What advantage have cash buyers?—They obtain goods at the lowest price.

8. Is interest demanded on time accounts?—Yes.

9. With what classes are the evils of credit most conspicuous?—With those who have fixed incomes.

10. What kind of produce or manufactured articles command cash returns?—Flour, cheese, bacon, and all general provisions or groceries.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?—Credits on mortgage are frequent amongst the trading classes. A mortgage can be obtained for 4 per cent., and a man can make more in his business with the money there obtained. A judgment is not a voluntary security by the debtor, being usually the result of an action at law. They are, however, occasionally used, continue in force for six years, and can be renewed.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?—He can usually resume if his creditors will give him a discharge. Sometimes, however, the judge of the bankruptcy court will intervene and prevent the debtor's discharge even though his creditors give their consent to the discharge, as the following rare but salutary case, taken from the Leeds Mercury of July 13 instant, shows:

REFUSING TO GRANT A BANKRUPT'S DISCHARGE.

At the Oldham county court, yesterday afternoon, Mr. Rigby, solicitor, Manchester, applied to the judge for the discharge of George Beaumont, of Shore Mill, Oldham, a bankrupt, on the ground that the creditors had passed a resolution to the effect that his bankruptcy, or the failure to pay 10s. in the pound, had arisen through circumstances over which the bankrupt could not justly be held responsible. His honor said there appeared to be no dividend. What had the bankrupt failed for? Mr. Tweedale (registrar) said the total amount of debts was £10,804 7s. 2d. His honor: "Nearly £11,000, and the total assets are only £64!" His honor added, that if a person failed to pay anything, or even 10s. in the pound, it would arise from circumstances for which they were justly held responsible.—Mr. Rigby: "The creditors were called together"—His honor: "Yes, we know how things are done, you know." Mr. Rigby explained that a large amount of Beaumont's indebtedness was caused through guaranteeing the debts of a person named Wrigley. His honor adjourned the application for six months, saying the state of affairs was not satisfactory.

Cases of fraudulent bankruptcy occasionally happen, and the bankrupt, too often, gets let off lightly, either through the anxiety of creditors to save as much as they can by compromise or otherwise, or else through mistaken sense of public opinion. A case of the latter sort occurred in Leeds recently, where a cloth merchant (Benjamin Waite) failed, and being prosecuted and convicted of a flagitiously fraudulent bankruptcy, was only sentenced to one month's imprisonment, the leading local newspaper editorially remarking on the sentence to the effect that the public would be gratified that the poor man had got off so easily. I understand he failed for about £80,000, and that his assets, on being distributed to creditors, amounted to less than 2d. in the pound sterling, which is equivalent to a dividend of, say, 70 cents in \$100.

A debtor can also resume, and does so frequently, without a discharge, and the instances in which creditors interfere are very rare. He usually

resumes, however, in the name of another person, and the principal obstacle he has to encounter is the difficulty in obtaining credit.

I have procured and append hereto a copy of the bankruptcy act of 1869, which is at present the law of the land. A new act, I understand, is in the course of construction,* or rather is now before Parliament, but as I do not possess a draft of the same I cannot point out wherein its features differ from the one which is now in force. Indeed, it is likely to be materially changed before it finally passes and becomes law, because there exists here opinions on the subject of bankruptcy just as divergent, and honestly so, too, as in the United States.

13. Is bankruptcy frequent?—This is a question which can scarcely be intelligently answered, except by a comparison so difficult that I dare not attempt it.

In 1879 there were 16,637 failures in the United Kingdom; in 1880 the total fell to 13,147; in 1881 it fell further to 12,005; in 1882—last year—still further to 11,319. For the past six months the total is given as 5,698, which is nearly 2 per cent. less than in the corresponding half of last year.

I regret my inability to give the total amounts in sterling of these failures, such statistics not being available to me. In other hands, therefore (to which full statistics of the trade and bankruptcies of several other nations as well are available), I must leave the answer to this question, only expressing my belief that when the enormous total trade of this kingdom, the number of bankruptcies and money value thereof are brought into comparison, the answer will be *bankruptcy* is not frequent.

14. To what extent do relief acts in bankruptcy prevail?—If I understand this question rightly there are no relief acts whatever. Parliament does not provide any, and local authorities, such as town councils, county and borough magistrates, are incapable of doing so. There is no such thing as a protected homestead, and in fact everything a man possesses may be sold for the benefit of his creditors, not excepting farming implements, tools, &c.

Of course, in mortgage or cases there is the equity of redemption, but I apprehend there is nothing more pertinent to the question than the subject of relief as administered by the poor-law authorities, where a bankrupt may be as deserving an object as any one else would be.

15. Are fortunes readily made and lost?—In all cases they are more readily lost than made, but, except in speculation, I should answer that fortunes are neither readily made nor lost. In the present keen competition in all branches of trade and industry, it is felt to be necessary for people to go slow, feeling their ground cautiously, and therefore it is impossible to make fortunes readily. Exactly the same reason causes them *not* to be lost readily, though obviously it is easier to do this than the former.

If one is disposed, and does venture into a speculative atmosphere, he may make a fortune, but he is far more likely to lose what he had and which was scarcely to be termed a fortune. The many losses of this character ought not, therefore, to be termed the loss of fortunes as they are usually spread among many people, while the benefits generally accrue to a few, who thereby make their fortunes. The time has passed away when large fortunes could be made in legitimate trade in this Kingdom, and it appears to me that there is being developed a tend-

* See Appendix for this new act.

ency to depart from the old plodding but honest methods of trade and embark in hazardous enterprises.

16. What are the general effects of credit?—It certainly stimulates trade.

A. V. DOCKERY,
Consul.

UNITED STATES CONSULATE,
Leeds, July 17, 1883.

NEWCASTLE-ON-TYNE.

REPORT BY CONSUL JONES.

I have the honor to make answers to the questions submitted by the Department touching credit and commerce in circular letter dated May 15, 1883, as follows:

1. Does credit stimulate trade?

Credit undoubtedly stimulates trade to an extent that can scarcely be overstated. It enables men of enterprise and character to borrow idle capital and apply it to the development of the country's resources and the creation of national wealth. It furnishes the skillful and intelligent with the means to win and work the various ores, to convert them into iron, steel, lead, copper, chemicals, and other materials, and convert them into manufactured articles; to build manufactories and construct ships; to make docks, harbors, and railways, and to give employment to the laboring classes of the country. It empowers the foreign merchant to purchase the agricultural and manufactured products of other nations with relatively small capital, and upon a scale impossible without it, with advantages to himself in the form of profits, and with benefits to the consumer in the lower prices induced by competition between home and foreign commodities. It enables the wholesale and retail merchants in the various branches of trade and commerce to embark in business with ready money representing only about one-third of their stock in trade, whereby a greater variety of goods are offered for sale, a larger volume of business is transacted, with undoubtedly gains to the seller and a greater choice for selection to the buyer. Money represented by credit to the consumer becomes dead or unproductive capital; but even this class of credit is beneficial, for it enables reliable people to make purchases which would sometimes be impossible and often inconvenient if ready money were required. Credit stimulates and accommodates trade throughout its ramifications. It were indeed difficult to conceive how business could be carried on without it, even upon a moderate scale.

2. Are people averse to contracting debt?

Discreet and judicious people are not averse to contracting ordinary debts. They will purchase on credit the staple requirements of their trade, business, or domestic life. But they hesitate before making engagements of a speculative character. This principle applies both to producer, seller and consumer. But there is a small percentage in every trade and calling, and upon every rod of the social ladder, whose vanity, rather than their dishonesty, leads them to contract debts which they cannot and do not discharge. As men grow older they become more cautious—more reluctant to purchase on credit where it can be avoided, and more keenly alive to the advantages enjoyed by buyers

for ready money. Transactions for cash, especially as between seller and consumer, are becoming relatively more numerous every year.

3. Are there any sumptuary laws or regulations concerning debts?

"Sumptuary law" is a designation unknown in English legal phraseology. The operations of commerce are, as far as possible, left to natural laws; but to obtain goods under false pretenses, or to commit a fraud against the bankruptcy act—namely, the 32d and 33d of Victoria, chapter 71—renders a man criminally liable. The bankruptcy law of England is in a state of transition. Mr. Chamberlain's new bill has been acted upon by the grand committee on commerce and reported to the House of Commons. It will probably become law next month, and should, perhaps, be inserted as an important part of this answer to question No. 3, submitted by the Department. An ordinary debtor may be imprisoned if he fails to carry out the order of the court to pay his debts by installments.

4. To what extent does credit prevail in proportion to the volume of business?

Credit prevails in trades generally to the extent of about 75 per cent. of the whole business done. In wholesale transactions the percentage might be stated at 90 per cent. in the retail branches; perhaps 50 per cent. of the total is done on credit. But the relative amount of credit given differs widely in different trades. Firms doing what is called "high-class" business give a greater proportion of credit and longer time than those who sell chiefly to the masses. Two large houses doing what is known as high-class trade, one a furnishing and manufacturing hardware firm, the other a dry goods firm, do 90 per cent. of their entire business on credit, whereas two firms in the same branches of trade, but doing what would be termed a low-class business, do 75 per cent. of the business for cash.

5. To what extent do losses incidental to business prevail?

Taking an average of five years in five firms engaged: (1) wholesale produce and flour trade; (2) the wholesale and retail dry goods business; (3) the wholesale and retail hardware trade; (4) the wholesale and retail grocery trade; (5) the retail boot and shoe trade, all conducted by men of ability and upon business principles, the loss averages 0.5 per cent. per annum of the whole business transacted. But the loss is much heavier where inexperience and indiscretion characterize trades.

6. Do tradesmen extend credit to mechanics and laborers readily?

Tradesmen doing a large business do not extend credit to mechanics and laborers. This class of workmen receive their wages weekly or fortnightly, and are not, therefore, supposed to ask for goods on trust; and, except in rare instances, a request for credit would not be granted. But tradesmen in a "small way" doing business in villages adjacent to iron works and collieries grant credit for a week or fortnight, a time coequal with that between pay-days. The best class, constituting the great majority of workmen, do not ask for credit, and they buy nearly all the goods they require from co-operative stores, so numerous in this country, and where credit is not given at all.

7. What advantage have cash buyers?

Buyers for cash enjoy many advantages. They purchase for lower prices, in the first instance, and receive discounts for ready money besides. The terms upon which goods are purchased vary in different trades. Many book-sellers allow a deduction of 20 per cent., and even more, on cash purchases. Wine and spirit merchants allow 10 per cent.; retail dealers in dry goods, groceries, hardware, and boots and shoes take off 5 per cent. for ready money. Milliners and clothiers

allow from 5 to 10 per cent. discount. In the wholesale trade the stated advantage is only $2\frac{1}{2}$ per cent. discount for prompt cash, and a further allowance at the rate of 5 per cent. per annum interest on the amount of the account for the ordinary trade credit time. That is to say, if a man bought goods upon which two, three, or four months' credit was customarily granted, and paid "prompt" cash for his purchase, he would receive $2\frac{1}{2}$ per cent. discount and 5 per cent. for the credit time usually allowed in that trade.

8. Is interest demanded on time accounts?

Interest is frequently exacted upon overdue accounts. It is occasionally charged by agreement between buyer and seller, but more generally according to the conditions printed upon the "bill-heads" of the different firms. I will reproduce some of these printed terms and conditions from the bills of representative firms in the various branches of trade.

Timber trade: Accounts rendered monthly. Terms four months' acceptance, or $2\frac{1}{2}$ per cent. off for cash in 14 days. Interest on overdue accounts.

Clothiers: Five per cent. charged on all accounts over three months.

Millinery: Accounts standing over six months will be charged with 5 per cent. interest.

Boot and shoe makers: Accounts rendered at midsummer and Christmas; 5 per cent. charged on all accounts over twelve months.

Hardware: Five per cent. charged on accounts overdue.

Dry goods: Two and a half per cent. off for cash; 5 per cent. interest charged after six months.

Excepting where the debtor is a very "slow" customer, indeed, whose transactions are not considered desirable, interest upon accounts is not insisted upon where the payer objects. Moreover, it is exceedingly difficult to collect such interest in the absence of a special contract providing therefor.

9. With what classes are the evils of credit most conspicuous?

If we roughly divide the inhabitants into three grades, namely, the upper, the middle, and the lower classes, we may safely assert that the evils of contracting debts, whereby thousands become bankrupts, are most conspicuous at the top and bottom strata of society. The vain man of reputed recently-made wealth, itching for a place in the "best society," generally "comes to grief," and compromises with his creditors, whereby trades-people are seriously injured. Professional men, lawyers without practice and doctors without patients—with a few consuls and clergymen I could name thrown in—are counted good buyers and bad payers. The middle-class people may most safely be trusted in this country. The answer to question No. 13 may further elucidate the answer to question No. 9.

10. What kind of produce, or manufactured articles, command cash returns?

Coal used as household fuel commands prompt cash payments very generally, if not entirely, in this district. Groceries and provisions are considered as demanding ready money, but in practice it is otherwise, and, with the exception stated, credit is extended to every commodity bought and sold. The co-operative stores of the workingmen, as well those of the army and navy, and civil service, &c., are conducted entirely on immediate-payment principles. By thus avoiding the possibility of losses through bad debts, and through the consequent saving of clerical assistance, they are enabled to sell their goods at a smaller percent.

age of profits than those who conduct business upon the mixed cash and credit system. These stores have undoubtedly set a premium upon ready-money trading, which now forms a much larger percentage of the trade of the country than it ever did before.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and if so, among what classes?

Credits of record are very general amongst all classes. Landed proprietors buy estates, and frequently borrow two-thirds of the purchase money upon mortgage, at an interest ranging from $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent. per annum. Manufacturers borrow money secured by their works, but they are obliged to pay a higher rate of interest than the land-owner—say $4\frac{1}{2}$ or 5 per cent. Thrifty workmen buy their homesteads, which are at once mortgaged to “building societies” at 5 per cent. interest. Speculative builders purchase land and construct houses on an extensive scale, all with money obtained on mortgage from these building societies, institutions that are very numerous in this country. Shares in railways and other stocks are deposited with bankers, who advance money upon them up to within 10 or 20 per cent. of their face value, at interests ranging from 5 to 6 per cent. per annum. Judgments and similar record securities are nearly if not quite obsolete in England. The publicity given to bills of sale under the new laws has thrown that mode of borrowing money into great disfavor, if not disgrace. None but the most improvident now resort to it.

12. When a person has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

A resolution passed at a meeting of creditors granting a debtor his “discharge” entitles him to resume business at once. He can claim his discharge when he shall have paid ten shillings in the pound, provided, however, that no fraudulent practice is attributed to him. In the latter case the court has the authority to withhold the discharge. But as a matter of practice discharges are granted almost universally. Under the present bankruptcy law estates are swallowed up in the expenses of liquidators, or receivers, and lawyers. The practice in this regard is simply scandalous. But Mr. Chamberlain's new bill, now passing through Parliament, will remedy these evils, and exercise a deterrent influence over trades, by making bankruptcy a greater disgrace, and resumption of business a far more difficult operation than at present.

13. Is bankruptcy frequent?

Insolvency and liquidations, either by private arrangement or under the inspection of the court, are more common than bankruptcy. But the latter class of delinquents are by no means rare, as may be seen from the following schedules, showing the number of failures during the last five years and the number and trade description of failures during 1882 and the first half of 1883:

I.—Table showing failures during five years.

For the year—	Wholesale.	Retail.	Total.
1878	2, 643	12, 416	15, 059
1879	2, 546	14, 091	16, 637
1880	1, 478	11, 669	13, 147
1881	1, 325	10, 680	12, 005
1882	1, 814	9, 705	11, 519

II.—Failures in the United Kingdom during the year 1882 and the first half of 1883.

FAILURES IN THE WHOLESALE TRADE.

In—	For the year 1882.	During the six months ending June, 1883.
London	399	194
Liverpool	48	18
Manchester	52	48
Lancashire	86	47
Yorkshire	211	141
Birmingham and Midland iron district	94	60
Newcastle, Middleborough, Hull and district	42	26
Bristol, Cardiff, Newport, and Swansea	30	16
Provinces	259	130
Scotland	78	44
Ireland	15	10
Total	1,314	734

III.—Failures in the various branches of commerce during the year 1882 and the first half of 1883.

Branches of commerce.	For the year 1882.	During the six months ending June, 1883.
WHOLESALE.		
Agents, commission, yarn, &c.	94	57
Bankers, joint-stock banks, and foreign bankers	1	1
Boots and shoes	114	58
Brewers	8	9
Cigars and tobacco	5	1
Cement and asphalt	6	3
Coals	32	21
Contractors	5	2
Corn merchants, millers, &c.	32	9
Cotton and colonial brokers	11	2
Cotton spinners and manufacturers	33	25
Curriers, tanners, and leather	45	41
Wholesale chemists, druggists, &c.	9	14
Discount and bill brokers		
Drysalers, oils and colors	81	15
Dyers, bleachers, and finishers	25	27
Electro platers	5	3
Engineers, founders, iron, metal, and hardware merchants	186	88
Financial agents	8	5
Glass, lead, earthenware, &c.		5
Gunpowder		
Hats and caps	15	11
Hops	4	1
Jewelers	16	10
Manufacturers and merchants of woollens, worsteds, elastics, silks, &c.	168	98
Merchants	132	67
Oil-cloth	1	
Provisions	34	34
Rope, sails, &c.	15	4
Ship-brokers and owners	25	9
Ship-builders	5	3
Stationers, paper, &c.	29	8
Sugar-refiners		1
Tea, coffee, and groceries	17	11
Timber	34	13
Warehousemen and importers of foreign goods	68	35
Wine	73	29
Wool staples and merchants	9	2
Woolen and cotton wastes	19	12
Total	1,314	734
IN RETAIL TRADES.		
Accountants	19	12
Actors	13	5
Aerated waters, ginger beer, &c.	20	13
Auctioneers, house agents, &c.	140	72

III.—Failures in the various branches of commerce during the year 1882, &c.—Continued.

Branches of commerce.	For the year 1882.	During the six months ending June, 1883.
IN RETAIL TRADES.		
Bakers	297	153
Blacksmiths	46	36
Boat-builders, mast-makers, &c.	11	5
Brewers	35	19
Brick-makers, lime-burners, &c.	83	13
Brush and basket makers	23	10
Builders, architects, &c.	652	312
Butchers	298	144
Cab-drivers	17	8
Cab, omnibus proprietors, livery-stable keepers	62	39
Cabinet-makers, upholsterers, and furniture-makers	120	69
Carpenters, turners, wheelwrights	281	100
Carriage-builders	55	26
Carriers, cart-owners, &c.	21	29
Cattle and horse dealers	41	26
Chemists, druggists	72	27
Carvers, gilders	21	6
Clerks and commercial travelers	184	104
Clerks in holy orders	32	19
Coal dealers	129	70
Coffee and eating house keepers	39	18
Confectioners	61	24
Coopers	16	3
Corn chandlers, hay and straw dealers	76	51
Cow-keepers, dairymen	60	30
Drapers, hosiers, &c.	356	206
Engineers in Navy, and officers in Army and Navy (active and retired)	17	11
Farmers	596	242
Fishing-smack owners	17	8
Fish-mongers, poultryers	96	55
Furniture dealers, brokers	64	30
Gardeners, market gardeners	47	22
General dealers, curiosities	211	94
Glass, earthenware dealers and potters	65	32
Green grocers, fruiterers, &c.	110	65
Grocers, provision dealers, &c.	1,068	556
Hair dressers, perfumers	30	12
Hatters	33	24
Ironmongers, japanners, tinmen	172	7
Jewelers, watchmakers	101	60
Laborers, bricklayers, masons	188	90
Leather dealers		9
Lodging-house keepers	49	18
Looking-glass makers, &c.	16	18
Millers and corn dealers	58	26
Milliners, artificial florists, &c.	60	33
Miners, colliers	26	9
Music sellers and publishers	17	2
Musical instrument makers and dealers	18	17
Newspaper proprietors, journalists	5	7
Nurserymen, florists	33	23
Oilmen	60	23
Opticians	8	1
Pawnbrokers	17	5
Photographers	18	13
Plumbers, painters, gasfitters	241	122
Printers, stationers, engravers	120	61
Professors of music	11	4
Publicans	813	489
Saddlers, harness-makers	59	26
Schoolmasters	55	19
Shipwrights	11	2
Shoe and boot makers and dealers	316	131
Solicitors	88	41
Stockbrokers, jobbers, &c.	26	14
Surgeons, physicians, dentists	59	31
Tailors	314	160
Timber dealers and sawyers	46	19
Tobaccoists	85	57
Toy and fancy dealers	38	18
Tradeamen's assistants	68	30
Undertakers	13	8
Miscellaneous	389	241
Private persons	438	243
Total	9,075	4,964

14. To what extent do relief acts in bankruptcy prevail?

There is at present one general bankruptcy act, the thirty-second and thirty-third of Victoria, chapter 71. But within a month the act now before Parliament shall probably have become law. Further answer to this question would therefore be without value under the circumstances.

15. Are fortunes readily made and lost?

Large fortunes have been rapidly made and lost in ship-building and shipping and in the coal and iron and chemical trades of this district during recent years. I have seen men embarking in trade without capital beyond a few hundreds sterling and become rich "beyond the dreams of avarice," and those who rolled along in costly equipages end their careers dependent upon the charity of friends and relations, during my residence on Tyneside. But the recuperative powers of a fallen Englishman are not so great as those of the American. Perhaps the opportunities and advantages for retrieving or replacing a lost fortune are more favorable in the West than here. But "easy come, easy go," is an old saying, laden with truth and warning.

16. What are the general effects of credit?

Credit creates a tendency to overtrading. It enables men without experience or discretion to embark in trade; it affords opportunity to the vain and reckless to contract obligations beyond their power to discharge. But, on the other hand, when guided by wisdom and discretion, and fixed rules as to time and amounts, it is highly beneficial in a thousand ways to those engaged in trade and commerce, to the general well-being of the state, to the commercial life and prosperity of nations, and to the cause of civilization and international peace.

EVAN R. JONES,
Consul.

UNITED STATES CONSULATE,
Newcastle-upon-Tyne.

NOTTINGHAM.

REPORT BY CONSUL SMITH.

1. Credit undoubtedly stimulates trade in this country, as in every civilized land. There are few manufacturers or traders who have sufficient capital to carry on their business without resorting to temporary loans. Even when they have such capital they often prefer to invest part of it in other ways and to rely on their credit for the immediate wants in their business. This may be said of all dealers, whether wholesale or retail. Even in this country, so full of wealth, the great body of the people buy more or less on credit. Even those who have abundant means often prefer not to be troubled to pay for every article at the time of purchase. They find it more convenient to pay once in six months, or once in a year. Traders find it to their interest to give credit to those who have abundant means. They invariably charge an extra price on account of the credit, and they find that their customers purchase more liberally if not required to pay cash. It is very difficult even in this country to carry on a large business on the cash system. It has been done with some success in large co-operative and other stores, but they are exceptions to the general rule. In the export trade credit is very general. The time given varies. Merchants in Australasia and other distant countries expect to get longer credits than those in France or

Germany. The trade of this district extends to almost every part of the civilized world, as all civilized people use hosiery, and few or none dispense with the use of lace goods, which term embraces window curtains, mosquito nets, net dress goods, as well as what is usually known as lace. In all this trade credit is given, differing in time according to the country to which the goods are sent, and often according to the necessities of both the seller and purchaser.

2. Are people averse to contracting debts?—This question can be answered only in a qualified manner. Some people are averse to contracting debts, while others are not. Among large dealers credit is generally a necessity, as they could not carry on their business without it. Credits for moderate amounts are also common with small tradesmen, and I do not see that they have any special fear of the consequences.

3. I am not aware of any sumptuary laws in this country. Even the rate of interest is left entirely to the discretion of the parties to a contract.

4. I find it impossible to ascertain to what extent credit prevails in proportion to the volume of business. The proportion differs greatly with different houses in the same trade, and I do not find traders disposed to give definite information in reference to the matter.

5. As to the extent of losses incidental to business, I have not been able to get any satisfactory information. Such losses differ very much at different times. They are increased by bad harvests, political disturbances, and other like causes. Losses also arise from depreciation of stock when, after a period of brisk trade, a dull time sets in. This is particularly the case in the lace trade, a trade greatly dependent on the caprices of fashion. It often happens that a style of lace which sells at one time readily and at a large profit may in a few months be only marketable at little profit, and perhaps at a loss. This may be illustrated by the course of the lace trade during the last six years, that being the time that I have been at this place. In 1878 the lace trade was at a low ebb, the exports to the United States being \$1,924,966.75, according to my first annual report. The export of lace goods to the same country during the year ending September 30, 1882, was \$7,228,684. The trade in the home market and in other parts of the world also increased. During such a period of prosperity losses were not large. During the last six months a decided depression in trade has been felt here, especially in the American market. This depression has not continued long enough to show what its ultimate effect will be, but heavy loss must follow its long continuance.

6. Credit to a moderate amount is readily given to mechanics and laboring men by small traders who habitually deal with them. One reason for this is that although imprisonment for debt is nominally abolished, it really exists to a considerable extent. If a laboring man contracts a small debt, he may be summoned before a court for non-payment. The debt being proved, the magistrate inquires into the ability of the debtor to pay. If he finds that he has means to pay, or that he is earning wages which are not only sufficient for the support of himself and family, but that a part can be spared towards the payment of the debt, an order is made for such payment by installments (generally weekly). If the debtor fails to comply with the order, he is summoned to answer for contempt of court in not obeying its order. If the court thinks it a proper case, it may order imprisonment of the defendant, not for the debt, but for contempt of its orders. With this protection, there is not much risk in giving small credits to mechanics and laboring men, and they are therefore common.

7. I do not find any regular rule governing traders as to the advantage given to cash buyers. With some tradesmen with whom I deal, no deduction is made for cash. With others a discount of from $2\frac{1}{2}$ to 5 per cent. is given. In the wholesale trade discounts vary with the state of the market. When there is a brisk demand for goods, small discounts are made for cash; when trade is dull larger ones are conceded, especially by weak holders. The stronger houses, of course, maintain more regular discounts, as they are more able to hold their goods. Stationers and booksellers seem to have a general rule here to deduct 2 pence on the shilling for cash payment.

8. Interest is expected on accounts overdue, but not on simple time accounts.

9. I do not see that the evils of credit are particularly conspicuous here with any class of persons above all others. They are conspicuous in individual cases of all classes. Reckless men will incur imprudent liabilities, and they are not confined to any class of the community. Those who belong to a class having under ordinary circumstances most credit, are most liable to use it imprudently. But the abuse of credit is found in every class.

10. Raw material, as a rule, commands cash returns. Very few manufactured articles command cash in all cases. More or less credit will be given, if desired, for manufactured goods to persons having good commercial standing.

11. Mortgages are very common in this country. On investigation I was surprised to find to how great an extent they exist. Mr. Williams, in his work on Real Property, which is a recognized authority in England, in the preface to his chapter on Mortgages (edition of 1875) makes his remark:

When it is known that the larger proportion of the lands in this Kingdom is at present in mortgage—a fact generally allowed—it is evident that a chapter devoted to mortgages cannot be superfluous.

You will see that this statement was made eight years ago. Since that time there has been great depression in agricultural affairs, on account of unfavorable weather and severe competition of foreign and especially American cereals. It is probable that the proportion of mortgaged real estate in towns has not decreased during that time, and that diminished incomes from agricultural lands have necessitated an increase of mortgages on those lands. It is well known to all here that many proprietors of country estates have become embarrassed by the large falling off of their incomes from farming lands, and as many of those estates are incumbered to secure marriage settlements, portions to younger children, fixed charges which cannot be diminished, the decreased rental from the lands left little or nothing after paying such charges to the proprietor of the estate. These embarrassments have undoubtedly necessitated further incumbrances in many cases. Taking Mr. Williams's statement as true in 1875, the probability is that three-quarters of the real estate of this Kingdom is under mortgage in some form. It is, however, probable that much the larger portion so incumbered is town property. Judgments are not common.

12. It is common for persons who have failed in business to resume under agreement with creditors, or after discharge under the bankrupt laws. If the failure is not connected with any suspicion of fraud, and the debtor has a fair business reputation, there is generally not much difficulty in bringing about an arrangement to allow a resumption of business. The obstacles in the way of such resumption are those which will be met in any country—want of capital and diminished credit.

13. That bankruptcies often occur in this country is shown by the list of names of bankrupts which is published weekly in the official gazette. Their frequency depends much upon the state of trade, which is affected by abundance or failure of the crops, political disturbances, and other causes. Compared with the United States, I think bankruptcies are less frequent here, for the reason that, as a rule, traders are more conservative, less inclined to take great risks in hope of large profits.

14. This country has been living since 1869 under a rather liberal bankrupt act, the effect of which was found to be unsatisfactory. Therefore the present Government brought forward and carried through Parliament at its last session a new act, which has just been published. In a late number of the London Times the particular points of difference between the two acts are set forth as follows:

It starts with the principle that bankruptcy should not be made so easy and convenient a process as under the act of 1869. It proposes to treat a man who cannot pay his debts and who seeks to be discharged from them, very much in the same way in which an officer in the mercantile marine holding a certificate is treated on the loss of his ship. There is to be in all cases an examination of the bankrupt, and what is of still more consequence the examination is to be of a public character. In many other ways, too, will the path of the debtor be made rougher than it is; but in saying that there is to be a public examination in courts, we have indicated one of the chief, if not the chief, of its features. Liquidations by arrangement as now known, which are about five times as numerous as bankruptcies, will cease to exist, and though creditors may accept a composition or a scheme of arrangement, the approval of the court will be requisite to its validity, and if the terms of the same are not reasonable and calculated to benefit the general body of creditors the court will have full discretion to refuse its approval. Another marked feature of the bill is the creation of a totally new officer, the official receiver, who is to be appointed by the board of trade, and whose duty it will be to investigate the conduct of the debtor, to report to the court and the board of trade, and to take part, if necessary, in the public examination of the debtor. This official will also act as interim receiver of the debtor's estate pending the appointment of a trustee.

15. Fortunes are not readily made in this country. They are generally the result of persistent industry and economy aided by good business capacity. Of course there are exceptions to this rule. Occasional large fortunes have been accumulated by lucky speculations, or by the sudden rise in the prices of certain kinds of manufactured goods, by which those having large facilities for their manufacture have profited. But these are exceptions to the general current of affairs. Fortunes are easily lost here as elsewhere, as it seems to require more vigilance to take care of money than to acquire it.

16. I think the general effect of credit as practiced here is good. I cannot conceive of the possibility of carrying on the large manufacturing interest of this consular district without liberal credit. Without credit that whole interest would be paralyzed. Nor could the mercantile community dispose of their goods wholly for cash. I therefore consider credit to be not only a convenience to business, but a necessity. So far as the retail trade is concerned, I am inclined to the opinion that the nearer the approach is made to cash payments the better. But the introduction of the cash system at present seems to be impracticable even in that trade.

JASPER SMITH,
Commercial Agent.

UNITED STATES COMMERCIAL AGENCY,
Nottingham, September 15, 1883.

IRELAND.

CORK.

REPORT BY CONSUL PIATT.

I have the honor to report as follows respecting the system of credit in this consular district:

Being chiefly an agricultural district whose trade—there being comparatively few manufactures—turns upon the prosperity of the farming class, credit must be given in all departments of business until the farmers realize on their crops; manufacturers, merchants, and shopkeepers are compelled to conform to the agricultural conditions and necessities. As a rule the farmers are honest, although very slow in their payment and hard to keep punctual. Tradesmen who know and understand their ways, however, give them credit without much risk of ultimate loss. Farmers rarely break down absolutely, unless under the pressure of continued bad seasons. People, as a rule, do not hesitate to go into debt; they take advantage at first of the opportunity of a short credit, and by deferring payment ultimately make it a permanent debt. There is nothing to prevent them going deeper if they have the disposition and opportunities are presented. An unscrupulous customer has no limit to his "borrowing powers," so long as his various creditors continue to trust him.

It would be impossible to say to what extent credit prevails in proportion to the volume of business, though public opinion in Cork, I am informed, invariably multiplies a trader's capital by two, which enables him to get credit to probably four times his actual capital. The system of credit, however, varies considerably in every trade. The butter trade of Cork is the leading one in this district. In the beginning of the year the butter brokers of Cork market advance loans to the farmers to the amount of two-thirds of the value of their butter produce for the year, at rates of interest varying from 6 to 10 per cent. With this money the farmer pays his rent, buys stock and seeds; according as he makes his butter he sends it to the broker to pay off his debt. The brokers borrow the money so advanced from local banks at a lesser rate of interest than they charge. When they receive the butter from the farmers they sell it to the exporters for prompt cash, and the exporters ship to English merchants, giving one and two months' credit for the payment. Thus it may be said that 70 per cent. of the chief trade of Cork is conducted on the credit system. The brokers pay for the butter long before they get it, and the exporters are not paid for a long time after they ship it to England—very often they are not paid at all, owing to the failure of their customers.

As business men make every effort to conceal their losses, it is difficult to get reliable information as to the average of losses incidental to the trade. In this country trade losses depend more on the conditions of the seasons than on any other combination of circumstances. If the year be favorable for agricultural operations, trade losses are small; but when an unpropitious season causes a bad harvest, losses are frequent in every branch of business. This results from the comparative dearth of employment other than agricultural or in some way connected with agriculture.

As a rule, constant employment being so uncertain, retailers do not give credit to workmen beyond the current week. The class of traders, technically "hucksters," who supply provisions and household necessities from Saturday to Saturday to mechanics and laborers, are often obliged from the competition in their business to extend credit too readily and to too great an extent. They invariably lose more, I am informed, by the mechanic, whose weekly wages range from \$5 to \$7.50, than by the laborer earning but from \$3 to \$3.75 per week.

Cash buyers are much sought after by the manufacturers and wholesale merchants. They are offered the first and best selections of goods. Yet it may be said that the chief advantage from this class of customers is to the tradesman, he being thus recouped the extra profit he has to put on his goods as a counterpoise to his probable loss by his credit customers.

A certain amount of credit is given free of interest in almost all branches of trade, after which interest is charged at rates generally over current bank rates, or if the seller anticipates non-payment at the usual period he very often charges an increased price for the goods sold.

Small farmers and men with fixed incomes are the classes among whom the evils of credit appear most conspicuously. The facilities of obtaining numberless small credits in different establishments are so great that they drift unconsciously into a condition of debt which ultimately ruins them, involving the sale of farming implements and household furniture, and leaves them without the means for a fresh start in life. All farm produce, animal and vegetable (except butter, which, as before explained, is bought before it is made at all), commands cash from purchasers, with butcher's meat, fish, fruit, bread, &c. But grocers and wine merchants, being desirous of keeping customers on their books, frequently give from six to twelve months, especially to their country customers—the landed gentry—furnishing their accounts at Christmas generally. The reduction in landlords' incomes consequent on the land act of 1881 will probably, it is thought, give the long-credit system its quietus. All manufactured articles here must, as a general rule, be sold on credit.

Credits on mortgages prevailed to a large extent formerly, and were almost exclusively given to the landed proprietors, but in consequence of recent legislation reducing the values of landed property, and the prospect of further legislation in the same direction, it is difficult at present to borrow on Irish security. A very large amount of the money so advanced in recent years has been lost, owing to the depreciation of values and the impossibility of sales at anything like a reasonable price. Credits of this kind are very prevalent among owners of house property, industrial concerns, and, more rarely, shipping. Credits by judgment and bills of sale upon premises or stock are only taken by traders who are in financial difficulties, and cannot otherwise obtain temporary assistance. The publication of such transactions, which is required by the act of Parliament relating to bills of sale, materially damages the commercial standing of any trader who resorts to such methods of relief.

As regards commercial failures, there are practically no obstacles to a man's resuming his business immediately after failing in it on paying a composition dividend to his creditors. The delay, difficulties, and heavy expenses of following a debtor in the Irish bankruptcy courts are so great that creditors in most cases prefer accepting a private settlement of debts. This is done through the debtor's solicitor. An offer

of 10 shillings on the pound or 50 per cent. is generally accepted—and often considerably less—in which case he discharges the abated claims by secured bills at six, twelve, and eighteen months. The general public or mercantile community hear nothing about it, the debtor's business is not suspended for a day, travelers belonging to new firms call and sell goods on credit, and so the trader goes on apparently as honest and successful as his neighbor who has always paid his debts. . Very often the firms which have been creditors of a bankrupt give him credit again in order to recover, if possible, by trading profits, some of their former losses. It is only in cases where fraud is suspected that a debtor is made bankrupt and is debarred from resuming business in his own name for twenty years, though this is evaded by opening in his son's or brother's name as their manager.

Public bankruptcies are not frequent, but private arrangements with creditors are said to be increasing annually, and have become so great an evil that new legislation on the subject has been receiving attention in Parliament. So strong is the feeling upon this matter in Ireland that all of its parliamentary representatives, with the exception of five who represented the legal interest of the city of Dublin alone, were in favor of having the bankruptcy reform bill of England extended to Ireland also; but as this bill came before Parliament in the closing days of the session, the Government was obliged to refuse to include Ireland in its scope so as to secure the passage of the act. The bankruptcy court, except when fraud is manifest, or concealment of assets suspected, deals forbearingly with the bankrupt. The expenses of the court, lawyers' fees, &c., probably absorb 75 per cent. of the assets, which causes creditors to accept almost any offer rather than put the debtor's estate in bankruptcy.

Fortunes are seldom readily made in this district. There are hardly a dozen men in it who have made large fortunes. A few firms in the neighborhood of Cork who have within a generation accumulated large fortunes are almost entirely confined to such as have been engaged in the manufacture of malt and spirituous liquors. Plodding industry, to which Irishmen are said to be less addicted than to reckless speculation, always gives an adequate return. But most of the wealthy men of Cork are those whose families have accumulated money in a series of generations. There are men here who have lost inherited fortunes, but they have done so by extravagance rather than by trade or speculation.

Finally, it may be said, returning to my opening remark, that without credit this community, being almost entirely agricultural, could not exist. As the whole commercial structure rests on the produce of the land, and the tillers are generally poor, owing, as many claim, to the oppressive land system which has obtained for centuries in Ireland, it would be impossible to develop the resources of the country without an extended system of credit.

JOHN J. PIATT,
Consul.

UNITED STATES CONSULATE,
Cork, September 15, 1884.

SCOTLAND.

GLASGOW.

REPORT BY CONSUL HARTE.

In reply to Department circular of date 15th May, 1883, annexing interrogatories prepared by the Board of Trade of Scranton, Pa., and requesting reports on the systems of credits which prevail, I have the honor to submit, after extended examination and research, the following information:

In wholesale transactions a system of credit universally obtains in this district, and it has, no doubt, a tendency to stimulate trade. But this credit is frequently injudiciously extended in the good times, and leads to speculation and reckless overtrading.

Glasgow is only now beginning to recover from a depression of trade brought about by a wide-spread abuse of credit.

A notable feature of the reaction from the state of inflation caused by this abuse of credit was the failure of the City of Glasgow Bank in 1878, with many mercantile failures, causing the greatest industrial distress.

The following tables relating to bankruptcies in Scotland are taken from the report of the judicial statistics for 1881, and are for the years ending 31st October, 1876 to 1880, inclusive.

I.—Number of bankruptcies.

Description.	1876.	1877.	1878.	1879.	1880.
1. In dependence at commencement of the year	2, 731	2, 796	2, 883	3, 084	3, 672
2. Awarded during the year	482	543	717	1, 072	582
3. Reopened during the year	2	4	3	5	1
Total	3, 215	3, 343	3, 603	4, 161	4, 255

II.—Disposal of bankruptcies.

Description.	1876.	1877.	1878.	1879.	1880.
1. Recalled	8	4	2	4	6
2. Wound up by final division and discharge	279	339	293	254	382
3. Wound up by composition	92	97	108	165	150
4. Wound up by deed of arrangement	8	18	21	24	21
5. Otherwise wound up	34	45	41	38	64
6. In dependence at the end of the year	2, 799	2, 845	3, 088	3, 676	3, 632
Total	3, 215	3, 343	3, 553	4, 161	4, 255

III.—Time between awarding and discharge of bankruptcies wound up by final division.

Description.	1876.	1877.	1878.	1879.	1880.
Six months and under one year	17	23	30	18	44
One year and under eighteen months	50	59	50	62	113
Eighteen months and under two years	46	60	44	46	78
Two years and under three years	61	60	58	62	80
Three years and under four years	30	34	26	22	28
Four years and under five years	21	19	21	17	9
Five years and upwards	54	85	64	27	32
Total	279	340	293	254	382

IV.—*Number of bankruptcies.*

Description.	1876.	1877.	1878.	1879.	1880.
1. Traders	404	481	622	857	420
2. Manufacturers	72	54	74	106	40
3. Farmers	17	27	44	113	93
4. Lawyers	4	3	8	23	8
5. Medical practitioners	3	4	.....	7	.....
6. Clergymen	1	.....	.....	3	1
7. Persons not acquiring income by any occupation	12	14	23	21	29
8. Not included in the foregoing	26	54	46	54	29
Total	539	587	817	1,184	620

V.—*Bankruptcies (concluded by final division and discharge).*

Description.	1876.	1877.	1878.	1879.	1880.
1. Gross estate, per inventory and valuation by trustees	£1,112,632	£724,803	£784,468	£591,250	£601,959
2. Debts of all kinds, as ascertained by trustees	2,269,042	1,666,298	1,614,062	1,163,935	1,243,859
3. Sums recovered by trustees during the sequestration	964,678	692,664	606,663	416,284	490,248
4. Disposal whereof by trustees, thus:					
EXPENSES.					
(1.) Allowance to bankrupts	1,027	2,362	1,117	7,246	942
(2.) Trustee's commission	29,765	30,028	26,422	21,479	20,739
(3.) Law expenses	35,839	38,664	29,967	23,914	28,080
(4.) Miscellaneous ordinary expenses	12,951	14,753	11,832	10,926	12,632
(5.) Miscellaneous extraordinary expenses	87,201	96,327	44,568	25,541	17,645
Total expenses	116,783	180,134	113,901	89,106	80,038
DIVIDENDS.					
(6.) To secured or preferable creditors	422,273	194,583	150,678	126,630	222,041
(7.) To unsecured or ordinary creditors	423,481	313,881	341,786	199,945	187,155
Total dividends	845,754	508,464	492,464	326,575	409,196

VI.—*Classification of the bankruptcies concluded by final division and discharge according to the value of the estates realized.*

Description.	1876.	1877.	1878.	1879.	1880.
Estates under £100	29	39	39	23	59
Of £100 and under £500	186	141	132	113	171
Of £500 and under £1,000	84	58	42	45	61
Of £1,000 and under £5,000	62	76	56	48	74
Of £5,000 and under £10,000	12	13	10	15	12
Of £10,000 and under £50,000	4	12	13	10	4
Of £50,000 and under £100,000 .....	.....	1	1	.....	1
Above £100,000	2	.....	.....	.....	.....
Total	279	340	293	254	383

VII.—*Rates of dividend per pound upon the unsecured debts in bankruptcy concluded.*

Description.	1876.	1877.	1878.	1879.	1880.
No dividend	35	36	35	23	45
Not exceeding 1s	35	51	50	42	71
Exceeding 1s. 1d. and not exceeding 2s. 6d.	57	65	62	49	97
Exceeding 2s. 6d. and not exceeding 5s.	71	80	76	69	88
Exceeding 5s. and not exceeding 10s.	54	77	56	49	54
Exceeding 10s. and not exceeding 15s.	18	17	14	13	16

VIII.—*Protests.*

Description.	1876.	1877.	1878.	1879.	1880.
1. Registered protest on bills and notes . .	2, 757	3, 607	3, 624	3, 625	2, 243
2. Persons protested against	3, 192	4, 327	4, 463	3, 178	2, 694
3. Sums protested for	£129, 962	£221, 108	£195, 806	£112, 177	£85, 749

These tables do not, of course, include the large number of bankruptcies which are settled by arrangement between the debtor and his creditors privately, nor does it include a large number of cases where the debtor grants an assignment to a trustee for behoof of his creditors. They only include those cases where the estate is sequestrated by the court and wound up by a trustee under its supervision.

As no record of private settlements is kept it is impossible to ascertain their number and importance.

Among a certain number of the lower and middle classes there is an aversion to contracting debts.

The typical Scotchman, before purchasing, looks forward to ascertain how he may be able to pay; but of course credit does prevail to a large extent, even among those classes, and the retail shopkeepers have to stand numerous losses by them.

Mechanics and laborers obtain limited credit, with weekly or fortnightly settlements, if they have steady employment, but if out of employment do not easily get goods on credit.

There are no sumptuary laws or regulations concerning credits in Scotland.

Various laws were passed by the ancient Scottish legislature with a view to regulate the expenses of individuals and private families. Attempts were made to regulate the dress of the ladies to save the purses of the "puir gentlemen" their fathers and husbands.

Coming to kirk or market muffled in a veil was strictly prohibited. Statutes were passed against superfluous banqueting and the inordinate use of foreign spices "brocht from the parts beyond sea and sold at dear prices to monie folk that are very unablill to sustain that coaste."

Such statutes were but ill-observed, and have long been in desuetude.

When business is at its best the credit system is all but universal. There is then a confidence and buoyancy prevailing over all the local industries, and when work is plentiful, credit appears to be obtained to an almost unlimited extent.

General losses in a well-regulated business conducted on the credit system show but a very small percentage indeed when compared with the magnitude of the commercial work accomplished.

Cash buyers do not, as a rule, get any advantage over those who purchase on credit.

Shopkeepers have hitherto made the purchaser for cash pay for the losses caused by the purchasers on credit; but co-operative societies are now exercising a growing influence, and several large stores not on co-operative principle are carrying on business on purely cash principles. As they run no risk of losses they are able to sell cheaper, and they threaten to entirely sweep away the smaller shopkeepers. The who can pay cash naturally object to the system of charging h and credit buyers alike.

No interest is demanded on time accounts, whether the transaction be a small one or a large one.

In large transactions common terms are cash in three months, with 2½ per cent. discount if paid at the end of the three months; but every trade or manufacture has its own terms.

It is understood that no discount is allowed if the account be not duly paid. In small transactions with shopkeepers and tradesmen no discount is allowed.

The evils of credit are most conspicuous among the working classes and among that large part of the community who have no realized means or estate, and who are dependent for their support on their daily labor.

There are others who are supported by friends allowing them an alimetary sum per annum; these are generally young men who are engaged in fitting themselves for some profession or business, and there are older people who have to depend on a fixed annuity. For these classes credit seems to be an unmitigated evil; but in consequence of two recent acts of the legislature—the one making it illegal to arrest wages unless in so far as they exceed £1 weekly, and the other abolishing imprisonment for ordinary mercantile debts—mechanics, laborers, and the other classes referred to do not now receive the same amount of credit which they formerly did. The direct tendency of these acts is to compel all small dealings to be transacted in cash and all credit to cease.

This must be of some advantage, but it is alleged that in many cases it will impose hardships, and no doubt a workman out of work from sickness or want of employment has often obtained the necessities of life on credit on the sure belief of payment being made when more fortunate days returned. The trader who formerly dealt with his customer on the faith that he had all the ancient and usual methods of execution to enforce payment of his debt can only now look to the character and capital or possession of adequate means and substance.

Intoxicating liquors, when sold in small quantities, have always commanded cash returns, but no other produce or manufactured articles stand in that favorable position, with the exception, perhaps, of ready-made clothing and articles procured at the drug store. A retailer of intoxicating liquors cannot, by the law of Scotland, sue in court for the price of liquor supplied on credit. The act establishing this law is known as the "tippling act."

The only credits of record known in Scotland are mortgages on real property, which are very prevalent, both in regard to house property and land. It may be stated generally that the whole house property in Glasgow is mortgaged to the extent of two-thirds of its value.

Within the last three or four years, in consequence of the depression in trade, the value of house property has fallen greatly, and many creditors in mortgages had to realize their securities at heavy losses, and many have taken possession of the properties under their mortgages, and are holding them in the expectation that the property market will improve, well knowing that they could not at the present time obtain the amount of their mortgages by selling.

The law of Scotland does not permit of any security being granted over personal or movable property unless the creditor obtains possession. Landlords have, however, by the law of hypothec, a security for their rents over the furniture and effects in the houses and shops of their tenants. Any other creditor attaching the furniture or effects and selling them renders himself liable to the landlord for the rent. It is alleged that but for that provision a great mass of the population could have no means of getting shelter from the weather at all. They may have no ready money, no friends, all that they can give is the security of their

furniture, and were it not for this law many would be without a home or compelled to go into the lowest lodging-houses.

When a person in business has once failed, he can as a rule resume, if he has obtained a discharge of his debts, and this he can invariably obtain unless his failure has been brought about by recklessness in trading or unless he has failed satisfactorily to account for his losses. Of course he does not at first on resuming obtain much credit unless the persons he formerly dealt with have confidence in his ability and are convinced that his failure was the result of innocent misfortune.

The main provisions of the law of Scotland relating to bankruptcy are contained in the bankruptcy act of 1856, and the fraudulent debtor's act of 1880.

The act of 1856 regulates large estates which fall to be administered under the supervision of the county court. Under that act a debtor with the concurrence of one creditor to the extent of fifty pounds, or two to the extent of seventy pounds, or three to the extent of one hundred pounds, can apply to the judge for sequestration of his estates, which is awarded as a matter of course.

Any creditor or creditors to the extent mentioned can if the debtor be insolvent also make application for sequestration without the debtor's consent. When sequestration is awarded a notice thereof is published and a meeting of creditors called which elect a trustee who takes the management of the estate. It is his duty to apply for a warrant to bring the debtor before the judge for public examination, and all the creditors are invited to attend and may put questions to the debtor relative to his affairs.

The trustee then calls another meeting of creditors and makes a report as to the position of the estate and receives instruction from the creditors as to the realization. The duty of the trustee is to realize the estate as speedily as possible and divide it among the creditors in terms of their claims, which have to be sworn to, and which the trustee must adjudicate on and reject or approve as the case may require. Any creditor dissatisfied with the trustee's decision may appeal to the judge.

The debtor may at once apply for his discharge, if every creditor concurs, or he may apply at the end of six months from the date of the sequestration provided a majority in number and four-fifths in value of the creditors concur, and he may apply at the end of a year if a majority in number and two-thirds in value of the creditors concur, or at the end of eighteen months if a majority in number and value concur. At the end of two years he may apply without any consent, and the judge, if he is satisfied that the debtor has fairly disclosed his estate and has not been guilty of any fraudulent act, and if the trustee does not object, grants the application.

The act of 1880, besides abolishing imprisonment for mercantile debts, regulates the procedure for small bankrupt estates and makes provision for the punishment of fraudulent debtors. The procedure by which small estates are realized is called the process of *cessio bonorum*.

Any creditor of a debtor who is unable to pay his debts may present an application to the judge praying that the debtor be ordained to grant a conveyance of his estate to a trustee for behoof of all his creditors, or the debtor himself may apply; the application is published, the debtor brought before the judge and examined as to his affairs, and the application granted or refused, as the case may require. If it is granted, the judge nominates the trustee on the suggestion of the creditors present, and the estate is realized by him and divided. The debtor can apply for his discharge the same way as under a sequestration. The

advantages of the *cessio bonorum* process are that it is inexpensive and expeditious.

Previous to the act of 1880 there was practically no provision in the law of Scotland for the punishment of fraudulent debtors. There were certainly some acts of Parliament bearing on the subject, but the law was a dead letter from the difficulty of the public prosecutor in framing a relevant charge under its provisions and from the general unwillingness of juries to convict when the court did hold the charge relevant.

The following are the provisions of the 1880 act, which are now in force:

The debtor in a process of sequestration or *cessio* shall be deemed guilty of a crime and offense, and on conviction before the court of judicary, or before the sheriff and a jury, shall be liable to be imprisoned for any period not exceeding two years, or by the sheriff without a jury for any period not exceeding sixty days, with or without hard labor.

A. In each of the cases following, unless he proves to the satisfaction of the court that he had no intent to defraud, that is to say:

1. If he does not, to the best of his knowledge and belief, fully and truly disclose the state of his affairs in terms of the "bankruptcy (Scotland) act, 1856" (19 and 20 Vict., c. 79), or the *cessio* acts, as the case may be;

2. If he does not deliver up to the trustee all his property, and all books, documents, papers, and writings relating to his property or affairs which are in his custody or under his control, and which he is required by law to deliver up, or if he does not deal with and dispose of the same according to the direction of the trustee;

3. If, after the presentation of the petition for sequestration or *cessio*, or within four months next before such presentation, he conceals any part of his property, or conceals, destroys, or mutilates, or is privy to the concealment, destruction, or mutilation of any book, document, paper, or writing relating to his property or affairs;

4. If, after or within the time above specified, he makes or is privy to the making of any false entry in or otherwise falsifying any book, document, paper, or writing affecting or relating to his property or affairs;

5. If, within four months next before the presentation of the petition for sequestration or *cessio*, he pawns, pledges, or disposes of, otherwise than in the ordinary way of trade any property which he has obtained on credit and has not paid for;

6. If, being indebted to an amount exceeding 200 pounds at the date of the presentation of the petition for sequestration or *cessio*, as the case may be, he has not for three years next before such date kept such books or accounts as according to the usual course of any trade or business in which he may have been engaged are necessary to exhibit and explain his transactions.

B. In each of the following cases:

1. If, knowing or believing that a false claim has been made by any person under the sequestration, he fails for the period of a month from the time of his acquiring such knowledge or belief to inform the trustee thereof;

2. If, after the presentation of the petition for sequestration or *cessio* or at any meeting of his creditors within four months next before such presentation, he attempts to account for any part of his property by fictitious losses or expenses;

3. If, within four months next before the presentation of the petition for sequestration or *cessio*, he, by any false representation or other fraud, has obtained any property on credit and has not paid for the same;

4. If, after the date of granting sequestration or *cessio* or within four months thereof, he absconds from Scotland, or makes preparations to abscond, for the purpose of avoiding examination or other proceedings at the instance of his creditors, or taking with him property which ought by law to be divided amongst his creditors to the amount of twenty pounds, or upwards, or if he fails, having no reasonable excuse (after receiving due notice), to attend the public examination appointed by the lord ordinary or the sheriff, or to submit himself for examination in terms of the statutes;

5. If, being insolvent, and with intent to defraud his creditors or any of them, he makes or causes to be made any gift, delivery, or transfer of, or any charge on or affecting his property.

By an act passed in 1881 a bankrupt is not entitled to a discharge unless the estate has paid a dividend of at least five shillings per pound, or unless the bankrupt proves to the satisfaction of the judge that the failure of the estate to yield that amount has arisen from circumstances for which the bankrupt cannot justly be held responsible.

Although the fluctuations in fortunes made in trade in Glasgow are inconsiderable in comparison with American cities, and the spirit of

speculation more or less mitigated by conservative influences and the material limits of an older country, yet nearly every branch of business can show representative men who have both lost and made fortunes.

One of the most successful died a few months ago leaving a large fortune made in oil producing and selling.

In the "soft goods" trade several of the leading houses have made large fortunes by successfully dealing in drapery goods. In iron and coal mining and in ship-building and engineering many have made fortunes.

In every case these men have made their own fortunes from mere nominal beginnings.

A dozen years ago the principal ship-builder on the Clyde was only a foreman with another firm, and the next largest has often been heard to express the fact that he started ship-building with only a few pounds in his possession.

Fortunes, nevertheless, are frequently lost in Glasgow through overconfidence and a certain amount of carelessness generated by success.

There are also, of course, fortunes made and lost to a considerable extent on the stock exchange through speculation in fluctuating stocks and railway shares.

BRET HARTE,
Consul.

UNITED STATES CONSULATE,
Glasgow, September 15, 1883.

LEITH.

REPORT BY CONSUL LEONARD.

Does credit stimulate trade?

A greater amount of trade is done because of the facilities given by credit.

Are people averse to contracting debts?

No. There is a great disposition to contract debts, especially among persons of limited means.

Are there any sumptuary laws or regulations concerning credit?

There are no sumptuary laws and no regulations concerning credits, unless the customs of trade can be considered such.

To what extent does credit prevail in proportion to the volume of business?

Nearly all wholesale business and probably half of the retail business is done on credit. The tendency of the wholesale trade is to curtail the length of credits, and payment in one month, less 1 per cent. discount, is a growing custom. Most of the retail business throughout Scotland was formerly done on credit, but the tendency has lately been in the direction of cash payments. In the sale and purchase of articles of common use, such as food, clothing, &c., a great change has taken place within the last twenty years, as the result of the establishment of co-operative stores, selling strictly for cash. In Edinburgh there are two such establishments, whose customers are of the wealthier and middle classes. The customers are furnished with most of the ordinary commodities, such as groceries, clothing, &c., at what purport to be the cost prices, with only the expense of handling added, and any profit that accrues to the company is understood to be expended in reducing the price of the articles sold. No subscription or membership is required. Any one may buy at these stores, and probably 15 per cent. of

that class of buyers in Edinburgh and vicinity buy at them. There is besides these another class of co-operative stores supported by the working and poorer classes at which everything is sold in the same way, but only those who have subscribed to the stock can buy at these stores, and it is understood that the profits are distributed among the subscribers in the shape of dividends. There are a number of these stores, and they exist not only in Edinburgh and Glasgow, but in most of the smaller towns throughout Scotland. Perhaps more than half of the families of the industrial classes deal at such co-operative stores.

As a result to a great extent of the strictly cash terms of these co-operative stores the people are becoming educated into the habit of paying cash, and credit is not asked as much as formerly.

The individual retail shops, which are numerous, and which get the custom that does not go to the co-operative stores, are compelled by close competition to be liberal in trusting their customers. From three to six months' credit is common. Prices are fixed on a credit basis, and it is customary to allow buyers who pay cash a discount or reduction of 5 per cent.

To what extent do losses incidental to business prevail?

Probably to the extent of 2 per cent. on wholesale and from 5 to 10 per cent. on retail business.

Do tradesmen extend credit to mechanics and laborers readily?

Yes.

What advantage have cash buyers?

The usual wholesale discount for cash is equivalent to three months' discount at 5 per cent. per annum, or from 1 to $1\frac{1}{2}$ per cent. on the amount. The usual retail discount for cash is 5 per cent.

Is interest demanded on time accounts?

Only in exceptional cases.

With what classes are the evils of credit most conspicuous?

With persons of small means trying to live in a style beyond their incomes and with retail dealers.

What kind of produce or manufactured articles command cash returns?

So far as I can ascertain pig iron is the only article that is sold only for cash. Sugar and wool are sold on fourteen days' credit. Most articles at wholesale are sold on from one to three months' credit.

Are credits of record (mortgages, judgments, &c.) prevalent; and if so, among what classes?

There is a great amount of money loaned on real estate in Scotland, but most of it is the surplus funds of persons seeking safe investments and is handled by trust and loan companies. Real estate security is but seldom used in ordinary business; and, though not confined to any class, is most prevalent among builders and dealers in land and house property.

When a person in business has once failed or has been discredited can he resume, and what are the obstacles to such resumption?

An insolvent may make any compromise that all of his creditors may agree to, and thus avoid going into bankruptcy. After being declared bankrupt he may be discharged at any time with the consent of all of his creditors; at the end of six months by the consent of four-fifths in value of his creditors; at the end of a year by the consent of two-thirds in value; at the end of eighteen months by the consent of a majority; and at the end of two years in the discretion of the court, without the consent of creditors; and, after such discharge, can resume business on the same terms as if he had never failed. The principal obstacle to

such resumption is the injury to his credit that will necessarily result from the fact of his having failed.

Is bankruptcy frequent?

Yes.

To what extent do relief acts in bankruptcy prevail?

I think the answer to this is included in that to the question above as to resumption after bankruptcy. There are no laws in Scotland exempting any property from seizure for debt; and imprisonment for debt was abolished three years ago.

Are fortunes readily made and lost?

Business is generally steady, and, except in rare cases of speculation, fortunes are not made or lost readily.

What are the general effects of credit?

Within proper limits, beneficial in wholesale, but injurious in retail business.

There is a system of credit known as cash credits, common to all the commercial banks in Scotland, but which I understand is in practice in no other country. It consists of the deposit with the bank of a joint-guarantee made by the person obtaining the credit, and two indorsers or sureties, to an amount agreed on. The person obtaining the credit is allowed to draw upon the bank at any time for part or the whole of the credit, as he may need; and he pays into the credit of this account such sums as he may not have occasion to use, and is charged or credited with interest, as the case may be, on the daily balance.

I learn from a paper on the history of banking in Scotland, read before the Institute of Bankers in March, 1882, by J. A. Wenley, esq., treasurer of the Bank of Scotland, and to which I am indebted for valuable information on this subject, that this system was originated in Edinburgh in the year 1728. It is especially useful to small traders and to persons starting in business. The cash credits are not usually temporary, but are generally continued for years, forming, in fact, a portion of the permanent capital of the borrower. The system has enabled persons with small capital, but good credit, to make such credit available as capital. It has proved very satisfactory to the banks in giving them increased business, affording profitable use for their deposits and increasing the demand for their paper. It has benefited the community by increasing the availability of the capital of the country.

The business of Scotland is done more exclusively through the banks than perhaps that of any other country, and the banking business is concentrated in the hands of a few strong corporations. There are only 10 banks of deposit and issue, or commercial banks, in all Scotland, of which 6 have their principal offices in Edinburgh and 2 in Glasgow. But these banks have numerous branches throughout the country. There are 38 branch banks in Edinburgh, 82 in Glasgow, and 882 in all Scotland.

It is a singular fact that of the 82 branch banks in Glasgow, only 23 are branches of banks having their principal offices there, while 59, or more than two-thirds of them, are branches of Edinburgh banks. Glasgow has twice the population of Edinburgh, and exceeds it in general business far more than in proportion to its population.

These branch banks are so generally distributed among the smaller towns that there is one to every 3,766 of the population of Scotland, which, I estimate, would give an average of one banking office to every 525 of their depositors.

The extent to which all classes deposit in banks is shown by the fact that in 1875 69.65 per cent. of the deposits in these banks were of a

class who had to their credit sums not exceeding £100 (or, say, \$500), and 13.52 per cent. of a class having to their credit sums exceeding £100 and not exceeding £200 (or, say, \$1,000).

All banks in Scotland pay interest on deposits, the rate varying generally from $2\frac{1}{2}$ to $3\frac{1}{2}$ per cent. per annum. But the extent of the business done by these commercial banks, great as it is, does not show the full extent to which the people of Scotland deposit their money in banks. Besides these banks there are in different towns 32 trustee savings' banks, with 303,391 depositors, and deposits to the amount of £7,091,299 (or \$34,509,806.58). There is also a branch of the Postal Savings' Bank at 725 of the post-offices in Scotland, at which there were at the beginning of this year 99,566 depositors, with deposits amounting to £699,866 (or \$3,405,898).

From official figures I find that the average number of persons in Scotland who have money deposited in a bank is one to a fraction more than every four of the population; and the lowest average amount of the deposits is that in the postal savings' banks, which is £7 0s. 7d. (or \$34.21).

J. A. LEONARD,
Consul.

UNITED STATES CONSULATE,
Leith, November 16, 1883.

WALES.

REPORT BY CONSUL SIKES, OF CARDIFF.

I have the honor to transmit my report on the systems of credits which prevail in my consular district.

1. Does credit stimulate trade?

It is generally considered that credit stimulates trade. If there were no credit, trade would be very quiet, as almost in every line of business here credit is given.

2. Are people averse to contracting debts?

People are not averse to contracting debts.

3. Are there any sumptuary laws or regulations concerning credits?

There are no sumptuary laws or regulations concerning credits.

4. To what extent does credit prevail in proportion to the volume of business?

Credit prevails to the extent of quite two-thirds of the volume of business done; in fact there are many businesses wholly conducted on the credit system.

5. To what extent do losses incidental to business prevail?

It is a difficult matter to find out to what extent losses incidental to business prevail, as serious losses by firms are kept secret in order that their commercial position or credit may not be affected.

6. Do tradesmen extend credit to mechanics and laborers readily?

Mechanics and laborers do not readily get credit, and when they do it only extends for very short periods, from one to two weeks; if longer, the debts are frequently secured by the employer at the laborer's request.

7. What advantage have cash buyers?

Cash buyers have the advantage of 5 per cent., and sometimes more, over the credit customer.

8. Is interest demanded on time accounts?

In some cases interest is demanded on time accounts, but I think this system is more adopted by particular firms than a general custom.

9. With what classes are the evils of credit most conspicuous?

The evils of credit are most conspicuous with the middle and upper classes, who have freer opportunities than mechanics and laborers.

10. What kind of produce or manufactured articles command cash returns?

Calicoes and drapery goods of every description command cash returns, also preserved meats, fruits, &c., in tins.

11. Are credits of record (mortgages, judgments, &c.) prevalent, and if so, among what classes?

Credits of record (mortgages, judgments, &c.) are prevalent among the upper and middle classes.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

A person after having failed in business can resume business again providing he receives a discharge from his creditors. This discharge is obtained upon the bankrupt agreeing to pay a certain amount in the pound sterling, which is usually secured by responsible parties. A bankrupt can also resume business without a discharge from his creditors or without agreeing to pay them anything in the pound, by forming a company and placing himself as manager. The bankruptcy laws of this country are now under consideration and revision in the House of Commons, and many acts which have formerly been done by fraudulent debtors with impunity will hereafter be thoroughly sifted.

13. Is bankruptcy frequent?

Bankruptcy is very frequent.

14. Are fortunes readily made and lost?

Fortunes are readily made and lost.

15. What are the general effects of credit?

Credit probably encourages business, and it is not thought here that business could be carried on to any large extent without it.

WILLIAM WIRT SIKES,
Consul.

UNITED STATES CONSULATE,
Cardiff, July 5, 1883.

GERMANY.

AIX LA CHAPELLE.

REPORT BY CONSUL DUBOIS.

In reply to the Department circular, dated May 15, 1883, received at this consulate June 30, containing interrogatories relating to the credit system of this country, I take the pleasure of submitting the following statement for the consideration of the Department of State:

1. Does credit stimulate trade?

There cannot be any doubt that credit stimulates trade and industry in all branches. It is as necessary and essential to trade here as pure air is to the lungs. It is not only a positive stimulus to commerce, but it is the principal basis upon which rest all of the smaller business transactions of this region. The destruction of this system would limit

all commercial transactions to the rich, who, with ready capital, would soon crush out the small, but enterprising, dealers, who by industry and economy are able under the existing system to secure a comfortable livelihood. Still, as necessary as a credit system is, its abuses are marked, the effect of which is very pernicious. It has not had a wholesome and reasonable limit, and as a consequence too wide a field has been open to the shiftless, the unprincipled men of business, and to the swindling element, who are not alone indigenous here, but who are ever busy pulling their wires of deceit and chicanery in all quarters of the globe.

2. Are people averse to contracting debts ?

The people are not averse to buying on credit. The obtaining of credit here is not difficult, and the time of payment is very long. Three months', six months', and a year's credit is allowed in almost all of the branches of trade. Take, for instance, the woolen-cloth trade. The raw-material credit is usually of three months' duration. On the manufactured article, such as doeskins and twills, six months is allowed to the tailor, who in turn makes a suit of clothes for a citizen, and quietly waits one year before sending in his bill, and then often waits three months longer before seeing the color of his customer's money.

In conversation with a prominent business man yesterday information was obtained to the effect that he often was compelled to give three months' credit, and after the bills were sent to his customers he was forced to wait three months longer, and then would receive bills of exchange on some out-of-the-way place, which usually resulted in considerable annoyance and further loss of time. One incident was related in reply to the question, "Are people averse to contracting debts ?" which was as startling as amusing, and threw a ray of light on the credit system which illumined a rather dark spot. A gentleman of this city wished to purchase a building in an adjoining town for the purpose of turning it into a factory. Upon inquiry the proprietor demanded \$40,000 for the property. The gentleman agreed to take the establishment, but being somewhat surprised at the low price, consulted with a lawyer before making definite arrangements for the purchase, and to his amazement ascertained that the property was mortgaged to the amount of \$100,000, while the establishment itself was not and never had been worth as much as that sum. Of course this was an instance of attempted swindling, but it is nevertheless interesting as an incident of the credit system.

3. Are there any sumptuary laws or regulations concerning credit ?

There are sumptuary laws regulating the Bank of the Empire, which has its branch banks located in all of the large towns of the country. The other large banking establishments have a board of overseers and one or several directors, who create their own laws and regulations. A large amount of the banking business is done by private bankers, who concede credit whenever and however they please, and secure as large a revenue from their loans as the opportunities may afford. Credit, in this respect, is based upon the amount of confidence that exists in the capability of the borrower to pay. This is neither hindered nor approved by existing laws. The Imperial Bank requires three good signatures in all draft discount transactions, in which it does an enormous business. Private banks allow to customers a credit margin of from 10 to 20 per cent. of their actual fortune, with the provision that the amount is to be turned from four to six times a year at $\frac{1}{2}$ per cent., aside from the current interest.

4. To what extent does credit prevail in proportion to the volume of business?

Most all of the smaller dealers secure their stock in trade on credit. Those who have, for instance, cash capital amounting to \$5,000 can easily secure credit for three times that amount, and most of the dealers take advantage of this condition of the credit system. It can, therefore, be said that credit prevails in proportion to the volume of business done in this section at the rate of one to three.

5. To what extent do losses incidental to business prevail?

In a well-regulated business, such as the cloth or needle industry, the losses incidental to the trade range from 4 to 5 per cent. This loss belongs strictly to business in a normal state, uninfluenced by hard times or flush times. It represents the loss in business fairly managed and during the average business seasons.

6. Do tradesmen extend credit to mechanics and laborers readily?

The mechanic, in the matter of credit, has the advantage of the laborer. The former is a person with a trade at which he is usually able to earn enough to meet his moderate wants, and he is far more likely to have employment than the laborer; for this reason he is considered the better customer. In the matter of rent, for instance, the custom prevails of collecting the rent from the laborer every week, while the mechanic is allowed a month's time. The ordinary laborer is fortunate if he receives 40 cents a day, while the blacksmiths and carpenters receive as high as \$1 a day without board. The result is natural; the more revenue one has the better his credit. A mechanic receiving \$1 per diem is able to obtain credit twice as easy as a laborer who receives but 40 cents for twelve hours of hard work.

7. What advantage have cash buyers?

Retail dealers, as cash buyers, have an advantage of from 3 to 5 per cent., but owing to the sluggish credit system they seldom make cash purchases. Manufacturers and other large establishments allow from 8 to 10 per cent. to cash buyers.

8. Is interest demanded on time account?

Interest on time account for ordinary purchases is seldom paid. In some trades an interest on time account of 5 per cent. is demanded, such, for instance, as the wholesale produce and colonial ware business.

9. With what classes are the evils of credit most conspicuous?

The credit system has worked the greatest injury among the smaller dealers, and also among the working classes. The smaller dealers have, as a rule, the poorer classes as customers, and these, taking advantage of the long credit system, make purchases which are not absolutely necessary, and consequently beyond their means, as but very few of the working class can afford anything save the naked necessities of life. Thus they find themselves unable to meet their bills, and, as a result, lose what little credit they have, while the dealer loses in a measure that which is due to him. In recent years business in a local sense has been very stagnant, and as a result many farmers have lost by the failure of provision dealers; many small cloth manufacturers who furnish goods directly to the tailors, and small local dealers have lost by the failure of their customers, who failed because of the loose credit system which enables people to buy readily on long time, and who, owing to the alluring opportunity, buy more than they actually need, and more than they can pay for. Among the great manufacturers heavy losses are often sustained by failures of customers in foreign climes, and many of the great firms here are engaged almost exclusively in furnishing foreign markets with their wares.

10. What kind of produce or manufactured articles command cash returns?

All colonial wares, such as grain, hides, raw material of all kinds, are generally cash transactions, sometimes on thirty days' time. For iron, steel, linen, flax, leather, &c., three months' time is usually allowed. On manufactured goods from three to twelve months' credit is given.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits of record are very prevalent among the middle and upper classes. A very large majority of the real estate and houses of this section are burdened with mortgages, and judgments are in no way conspicuous for their absence. Small, well-situated houses are, as a rule, mortgaged to from two-thirds to three-fourths of their actual worth, while the larger properties carry a burden of from 40 to 50 per cent. of their real value. Of course the working classes are not afflicted with mortgages, because they have no houses on which a mortgage can rest. They are grateful enough for the privilege of sheltering themselves under any roof, while the thought of owning one, with or without a mortgage attached, never enters their minds, because the possibility of such a thing is always so remote. If it be not out of place, I would like to say right here that the sad fact that the working classes of Europe are really homeless, in the true sense of the word, is at last awakening the middle and upper classes to a sense of their imperative duty in the matter. At present, in all of the great manufacturing centers, every one who has any knowledge of the subject recognizes the fact that there is a serious want of proper dwelling places for the working classes. The yearly reports prepared by the sanitary and police inspectors and laid on the desks of the different municipal authorities throughout the Empire, and especially in all the manufacturing centers, teem with startling statistics concerning the miserable abodes which the workmen call their homes. These statistics have exposed a state of things which has moved the public heart to busy itself earnestly in the interests of the millions who toil for bread and sleep in hovels. Manufacturers are awakening to the fact that something must be done, and done quickly. Political economists, painfully impressed with the situation, are proposing various plans to ameliorate the unhappy condition of things, and the sanitary boards are making vigorous efforts to alleviate the misery and suffering which is a natural outgrowth of the dwelling-house system which is forced upon the meagerly paid artisans. In truth, the question of the workman's home has become as important as the question of wages. It has become plain to thinking men that one of the most weighty points in the social puzzle is, "How can the workmen have decent dwelling-places?" In all the great centers society is debating this question with an earnestness that becomes the gravity of the subject. In some places societies have been established with the end in view of securing for the labor element comfortable and healthful homes at a very small rate of interest on the capital invested. These homes are well ventilated and built on plans looking principally to the health and comfort of the occupants. In some places these tenement houses have been transferred to the municipal authorities, who guarantee the investors 4 per cent. on the capital invested, and rent the houses to the workmen for that amount, including the cost of repairs, which, owing to the substantial manner in which the houses are constructed, is very insignificant. In Vienna the dwelling-places of the work people have been the subject of lively discussion in recent days, and efforts are being made to relieve the distress which

improper homes have brought to the toilers in that great metropolis. One-half of the workmen of that city live in quarters utterly devoid of the attributes of health and common decency. Last year over 788 dwelling-places of this class of citizens were reported by the health inspectors as being totally unfit for habitable purposes. But Vienna is only an example of what exists in all the centers of Europe. Here, in Aix la Chapelle, a manufacturing town noted for the care and kind consideration which most of its great manufacturers have for their employes, we find the question of the workmen's homes one of the most pressing questions of the day. Here, where hundreds have reaped a harvest of wealth from the markets of the New World, we find the working classes living in homes unfit for human habitation, and this, too, in the face of the fact that the Aix manufacturers are known for their liberality towards and care for their workmen. Here we find on some streets as many as fifty persons dwelling in a small ten-room house, and when we come to examine these homes—in spite of the fact that the German housewife is noted for her cleanliness in household affairs—we discover a condition of things opposed to health, to comfort, and to common decency. Overfilled rooms, inhabited cellars, bad drainage, mixing of the sexes, dirt, and vermin. This state of things in the laborers' homes drives them into the beer and gin shops, demoralizes the women, undermines the morality of the children, besides propagating small-pox, diphtheria, breeding scrofula, consumption, and a host of contagious diseases. And yet, for these miserable abodes, in comparison to the capital invested, the price of rent is almost one-half more than it is for houses in the aristocratic part of the city. It sounds like romance, and yet it is petrified truth. The men who live in these miserable homes pay more rent for the square foot of surface-room than is paid for the same space in the homes of the well-to-do and wealthy. But few workmen are troubled with mortgages, because they are not blessed with homes that they can call their own, so that the answer to No. 11 is, that credits of record exist among the middle and upper classes almost exclusively.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption? The laws concerning bankruptcy are loose and liberal. When a man fails, the proper tribunal convokes an assembly of his creditors, and in some instances the bankrupt himself calls them together and offers them from 10 to 60 per cent. on his liabilities, as he can best afford. Nine cases out of ten the creditors agree to a settlement, and the bankrupt receives a concordat, after which he can at once resume business, and is again eligible to public office; but the bankrupt who is unable to make an agreement with his creditors and secure the concordat, may constantly be harassed by his creditors, and remains as long as he is insolvent ineligible to public office of any kind. The mildness of the bankrupt laws has led and is constantly leading to serious abuses. Some time ago a coachman in the service of a man who had prospered through the course of four bankruptcies, and was notorious for his swindling operations in this respect, came to him and said "Mr. R., I wish you would pay me, as I want to leave your service." Mr. R., somewhat surprised at this, said, "Why, Jacob, why do you wish to leave my service; I have been a good master, have I not, and I have always paid you regularly?" "I'll acknowledge all that, Mr. R.," returned Jacob, "but I tell you I want to leave your service, and I wish you to pay me what you owe me." "Well, Jacob," said Mr. R., "I will not pay you a single mark until you tell me why you want to leave my service." "Well, in

that case, Mr. R.," replied Jacob, "I would say to you, that whenever I drive you over the promenade, and we come to where there are many and many people, they commence crying out, 'There comes that rascal, there comes that thief'; and as I don't know whether they mean you or me, I find it mighty uncomfortable."

While people condemn the present laws which make it so easy for unscrupulous men to glide into bankruptcy and glide out into the field of business operations again, they have become so accustomed to the evils of the system that they submit, and sometimes without a protest. German business men the world over have fair names for honesty and honorable dealing, and still it cannot be denied that the bankrupt system here will admit of a vigorous reformation to such an extent at least that it will be less tempting to the dishonest dealer, and more difficult for him to repeat his doubtful transactions.

13. Is bankruptcy frequent?

During the past ten years bankruptcy has increased considerably, and the solid men of business are earnestly considering measures of reform in relation to the laws regulating the same.

14. To what extent do relief acts in bankruptcy prevail?

The concordat is the only relief. The creditors secure as large a per cent. as possible, and there the matter rests.

15. Are fortunes readily made and lost?

Ten years ago, just after the Franco-Prussian war, fortunes were made readily in real estate and in the manufacturing business, but since that time it has been far easier to lose a fortune than to make one, and more have been either decreased or lost than won.

16. What are the general effects of credit?

A reasonable credit system, especially in a poor country like Germany is in natural resources and national wealth, is absolutely necessary for the ordinary transaction of business; but when the limits of a reasonable credit are transgressed, under the influence of wild speculation, then the system becomes pernicious and works out a series of disasters, such as heavy losses, want of confidence in business circles, and a withdrawal, in a great measure, of capital from the field of industry and trade, bringing in the wake of all these misfortunes a crisis and subsequent hard times.

The necessity of the credit system here is absolute, inasmuch as it stimulates trade and gives to the small but enterprising tradesmen a chance in the field of business operation, which he would not enjoy if nothing but a cash system existed. If want of confidence exists and credit is weak, the "scarce-money" cry becomes universal in the district affected. The fact that under such conditions trade languishes is ample proof that a fair credit system is absolutely necessary for the business thrift of a community or a land. But here, as has been already observed, the system is too loose and liberal. If a man worth \$10,000 is able to buy on credit a stock amounting to \$30,000, the temptation becomes at once too strong for idle capital, and we soon see all sorts of business being done on a false basis; that is, we find the supply far exceeding the possible demand. The result is tremendous competition, in which only the most solid establishments survive, while the rest are pushed to the wall, and those who have purchased for three times their actual capital, on long time, are unable to meet their liabilities, and both creditor and debtor are sacrificed. Thus the buyer and seller are both injured, and so it is among the small tailors and shoemakers. For instance, if a resident purchases a suit of his tailor the 1st of January the bill will not be presented to him before the beginning of the

next year, sometimes as late as February or March. The same thing occurs with the shoemaker, hatter, and other small dealers. Thus we may buy at a dozen different shops various articles, and unless he signifies a desire to pay for the purchases at once, he will in all probability not receive his bill under six months, and perhaps not within a year. In this respect the system works a wrong to both parties. The seller does not turn his money often enough, and the buyer is induced by the long credit to purchase many things which are unnecessary. With the well-to-do the effect is not so seriously felt, but among the poor artisans the evils of the system are evident.

The German credit system is thus shown to be a "long-time" system, in other words, a loose and liberal system, which gives too broad a field for the shiftless and careless men of business, and too much opportunity for the swindler and the knave. Its effect stagnates legitimate business, encourages speculation, and incites extravagance. It is bad enough for Germany; it would not agree with the business spirit of the great Republic.

JAMES T. DUBOIS,
Consul.

UNITED STATES CONSULATE,
Aix la Chapelle, July 10, 1883.

ALSACE-LORRAINE.

REPORT BY CONSUL BALLOU, OF KEHL.

In compliance with instructions contained in circular dated May 15, 1883, and received at this consulate on the 15th of June, I have the honor to submit the following report upon the credit system employed by business men in this consular district.

Before answering the interrogatories contained in the above-mentioned circular, I wish to say that in the Grand Duchy of Baden business is generally transacted on the French system, and in Alsace-Lorraine the same system is still continued; since the annexation to the German Empire no changes having been made in the manner of conducting banking and wholesale trade generally.

It is necessary to say here that after the close of the war of 1870 many of the wealthy business men left Alsace-Lorraine for France and took up their residence there, but the majority remained; the places of those who went were in time filled by Germans coming from other parts of Germany. The new-comers have adopted the Alsatian customs of doing business, and they have not made any changes except in the retail trade, in some branches of which they have introduced a credit system of which I shall speak more fully under the appropriate head. The answers to the questions which I shall endeavor to give in as brief a manner as possible, have been obtained by conversing with bankers, prominent business men, and by personal observation.

1. Does credit stimulate trade?

Credit is freely given to those who are known to deserve it, and it certainly stimulates trade when this rule is not deviated from, that is, given too easily or to undeserving people. The old established houses have their regulations as regards credits, from which there is no deviation; in every case when dealing with new customers security is asked when credit is applied for.

2. Are people averse to contracting debts?

As a rule they are too inclined to contract them, and business men inform me that this is more apparent every year; credit is much oftener asked than formerly, and for a longer period.

3. Are there any sumptuary laws or regulations concerning credits?

Credits are quite free and restricted by no laws, and prevail according to the customs of business men.

4. To what extent does credit prevail in proportion to the volume of business?

At least three fourths of the wholesale trade is transacted on credit, large transactions invariably so; the time may be short in some instances, but more frequently long.

5. To what extent do losses incidental to business prevail?

Losses incidental to credit in business are not frequent, and the amount of money lost yearly in that way is quite small, owing to the custom of requiring security of some description when credit is applied for.

6. Do tradesmen extend credit to mechanics and laborers readily?

Throughout Baden it is customary to extend credit in this way; for instance, a mechanic or laborer known to have steady employment for which he is paid weekly or monthly can obtain credit from the baker, butcher, grocery man, but, if he does not pay upon receipt of his wages, the debt is not allowed to increase. Those giving credit in this way know those whom they trust, and it is rare indeed that they lose anything. In Alsace it is also the case; the German retailers are accustomed to extend credit in this manner, but the Alsatians never do. I have made many inquiries in regard to this and have found it the rule.

7. What advantage have cash buyers?

The advantage of paying cash is cheaper price; this not only applies to manufacturers, jobbers, wholesale dealers, &c., but also to dealers in clothing and dry goods, &c.; for instance, if one order garments of a merchant tailor, and upon receipt of them does not pay cash when the bill is presented, after sixty or ninety days from 5 to 15 per cent. is always charged. People having accounts with merchants, &c., which are not settled monthly, understand that interest will be charged after that time. This is customary. Large or small dealers with good credit can obtain all the goods they wish on six or eight months' time, and the French dealers rarely ask over six months, but the Germans frequently ask and obtain longer time. Notes are generally given bearing from 3 to 4 per cent. interest; this rate may vary fractionally at times, but it is never less than 3 or higher than 4 per cent.

8. Is interest demanded on time accounts?

Interest is generally demanded on time accounts.

9. With what classes are the evils of credit most conspicuous?

With the working classes; because if once indebted, since they have no chance of getting better wages it is quite impossible for them to pay off their debts.

10. What kind of produce or manufactured articles command cash returns?

Articles of food and first necessity; transactions in hops are also strictly cash.

11. Are credits of record (mortgages, judgments, &c.) prevalent, and if so, among what classes?

Mortgages are very numerous and especially so among the middle classes. Tradesmen use this method of obtaining money more than

any other class of people. Peasants are very averse to giving mortgages on their land, and do so only after it becomes absolutely necessary. Such mortgages are frequent, but the amounts small and rate of interest low. Judgments and foreclosures are not as frequent as one would suppose, considering the number of mortgages given. Property is very seldom mortgaged for more than three-fourths its value; this is the rule; there are exceptions, however. The rate of interest allowed by law in Baden and Alsace-Lorraine is 5 per cent. on mortgages; mortgages for large amounts on exceptionally good security can be obtained at 4 per cent.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

If discredited it is possible, but if a person has failed the law does not allow him to do business again under the same name or firm, unless settlements are made; but he may engage in business in the name of his wife or any member of his family who has attained majority; this rule is generally adopted when settlements are not effected.

13. Is bankruptcy frequent?

Bankruptcy at present is not frequent.

14. To what extent do relief acts in bankruptcy prevail?

There are no relief acts in bankruptcy. The course generally adopted by those who become embarrassed is this: A meeting of all the creditors is called. The embarrassed parties submit their statement, which must be full and complete, together with their books; their proposition in regard to a settlement is also submitted, and if approved by all parties interested, a satisfactory result is reached without resort to the courts. It is very seldom that the courts are brought into requisition, more satisfactory results being otherwise obtained, the costs of the courts being very exorbitant.

15. Are fortunes readily made and lost?

Large fortunes are not readily made; competencies are often acquired after years of strict attention to business and frugality, but business of every description is overdone, opposition meets the manufacturers and business men at every turn, and business is done on a small margin of profit. There are a few manufacturers of chemical colors and machinery who have been doing a large business with very satisfactory results for the past few years. Fortunes are not frequently lost; speculation is seldom attempted; it must be a plausible enterprise that can induce business men to invest; therefore in this district it can be safely said that fortunes are not easily made, and if once obtained are carefully guarded.

16. What are the general effects of credit?

To facilitate business or to spoil it according to the manner in which it is given. In a section of country where the credit system is so universal, and where it has been in operation for so many years, it is merely an accommodation which if received must be paid for; the hardships of such a system naturally falling upon the consumers, who must in the end pay for it all.

FRANK W. BALLOU,
Consul.

UNITED STATES CONSULATE,
Kehl, August 25, 1883.

BADEN.

REPORT BY CONSUL SMITH, OF MANNHEIM.

On my return after a protracted absence from my consulate I find the circular-letter issued from the Department of State, dated May 15, 1883, containing a series of questions regarding the systems of credit prevailing in this district. I have the honor to reply as follows :

1. Does credit stimulate trade?

In the Grand Duchy of Baden, which represents my district, yes. It would be impossible, with the accustomed habits of the people, to transact any business or manufacture without credit. Wholesale dealers in land-produce require large sums of money to make purchases of grain, hops, tobacco, &c. They make use of open credits granted them by their bankers, ranging in amounts from 20,000 marks to 200,000 marks and more, for which they pay in addition to 5 per cent. interest a commission of one-fourth to one-third per cent., the loan being limited to a certain time, generally for a period of three months. If the loan is renewed the commission is again established for a certain sum, with settlements every quarter of the year. If the credit is secured by a deposit of securities, lower rates of commission are arranged. Wholesale dealers in colonial products are permitted such credits. Bankers accept bills drawn for shipments of coffee, rice, spice, grain, wine, seeds, oil, &c., coming from the United States, England, Holland, Russia, India, Hungary, &c., and other foreign countries. When the bills of sale are at two or three months' credit, the banker furnishes to the dealer foreign bills to cover the amounts of invoices. The dealer must make payment in due time, so that at the time of the half-yearly settlement of account current his indebtedness to the banker does not exceed the amount of credit contracted for. Similar agreements exist between manufacturers and bankers, credits being given for the purchase of raw materials. Such credits are also given shop-keepers and tradesmen, although they generally have capital enough to carry on their business. Their purchases are made in small quantities, and their sales are correspondingly so.

2. Are people averse to contracting debts?

Germans are generally not inclined to contract indebtedness, yet a succession of poor crops or stagnation in manufacturing compels indebtedness, not only of the poorer class to the shop-keeper, but of the shop-keeper to the wholesale dealer, and thus to the banker. Newspapers frequently contain advertisements requesting small loans for family support or other purposes. Peasant farmers also contract debts. These loans and debts are made at a usurious rate of interest and on a very short time of credit. The poor crops of the last four years have caused a very large indebtedness of this kind among the poorer classes.

3. Are there any sumptuary laws or regulations concerning credits?

There are sumptuary laws regarding credits with usurious interests. Many associations and savings banks are established to aid and assist peasant farmers and people with small means; yet many, fearing that their credit would be impaired were it publicly known that they had made loans, borrow from usurers at disastrous rates of interest. Arrests of foreigners who are supposed to be leaving the country are made. In such cases the creditors must pay the board and jail fees of the prisoner until his release.

4. To what extent does credit prevail in proportion to the volume of business?

The amount of credit is very large in comparison with that of the United States. Competition is very great, and consequently profits are small. Long credits are given, and generally the manufacturer or importer does not receive payment until the consumer has paid for them. A German manufacturer, who had made some money in the United States, determined to establish himself in his native land. His manufactory was established and sales commenced, but he could only sell in small quantities on very long credit. Every three months settlements were made and credit again given for the unsold goods. Finding that his manufacture only produced him a profit when these numerous agents had made sales, and that the extension of credit gave no certain point of a yearly settlement of his business, he relinquished it. A system of long credits means the support of business by the banker or by people who sell raw commodities and have capital enough to wait for their profit until the final product is consumed; too often before the final sale is made nominal interest is paid, and the whole transaction loses value.

5. To what extent do losses incidental to business prevail?

My observation is that loss incidental to business is less in Baden than in other countries. As a rule, the individual credit given is not for large amounts, and bankruptcy is very disastrous, the bankrupt seldom engaging in business after failure.

6. Do tradesmen extend credit to mechanics and laborers readily?

Tradesmen extend credits to mechanics and laborers, but in very small amounts, and call, as a general rule, for weekly settlements. Very few mechanics or laborers possess property to any extent.

7. What advantage have cash buyers?

Cash buyers have the usual advantage given in all countries where the seller is not loaning his capital and at the same time making a profit on his sales. With cash, goods can be bought at a lower price than with credit, and a discount of from 1 to 10 per cent. is given. Five per cent. is at once deducted from a retail purchase when cash is paid. The usual time of presentation of personal and household accounts is July and January. July coming at a time when, owing to the general custom of Germans, an absence from home is usual, a neglect to make immediate payment does not injure the credit given; yet if the January settlement is neglected, accounts are frequently presented, and neglect of payment leads to a refusal of credit thereafter.

8. Is interest demanded on time accounts?

Not as a general rule. Where parties have personal property and good credit a credit of six months is generally given without interest.

9. With what classes are the evils of credit most conspicuous?

Proper credit does not injure any class in Germany, but the evils of long credit are very apparent, especially among peasants and the poorer classes, who generally pay usurious rates and high commissions.

10. What kind of produce or manufactured articles command cash returns?

As a rule, no produce or article of manufacture commands cash returns. Where cash is paid a very liberal discount from regular prices is made, thus proving that long credits enhance the cost of goods when finally sold to the consumer.

11. Are credits of record (mortgages, judgments, &c.), prevalent; and, if so, among what classes?

Credits of record are prevalent, especially with owners of real estate.

Dwellings are purchased, one-quarter of the purchase being paid, and a mortgage given for the balance at 4 or 5 per cent. They endeavor to rent a portion of the premises at a sufficient sum to pay the interest on the mortgage and perhaps pay a small sum upon the principal debt. Peasant farmers mortgage their small farms to a very great extent; at least one-quarter of the farms in Baden are heavily mortgaged. Large proprietors mortgage their estates to a very great extent, leaving themselves almost entirely in the hands of their bankers in financial matters.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

It is possible for a person who has failed or has been discredited to resume business. But as a general rule bankrupts cannot again command the confidence or support of the community or bankers. The bankrupt laws are very stringent; and, where settlements are made, a single creditor, not joining in the settlement, can at any time renew and force his claim.

13. Is bankruptcy frequent?

Poor crops and disastrous competition have for the last four years led to many failures and bankruptcy, yet as a general rule bankruptcy is not as frequent in Baden as in other countries.

14. To what extent do relief acts in bankruptcy prevail?

There is a very stringent bankrupt law, making it difficult for the bankrupt to defraud his creditors. In many cases settlements are made and the bankrupt sells his business to others and retires.

15. Are fortunes readily made and lost?

Fortunes are not readily made; only with the hard persistent work of a life-time is success obtained, and then generally only a moderate competency is secured. The competition is so great, that both the merchant and the manufacturer must be content with small profits; they must work with increasing energy, and give strict, close attention to business. Fortunes are quickly made and lost by speculators in stocks and the productions of other countries.

16. What are the general effects of credit?

Many exhaustive books and pamphlets have been written in Germany on the subject of the general effects of credit; the conclusion reached by most of these writers is, and my observations coincide with them, that without credit the business of the world could not be transacted, but the credit given must not be of too long duration, but a sufficiently long time to allow the raw material to pass through different channels of manufacture or transportation to its final consumption. Such credits give a proper stimulus to trade, and all commercial intercourse is strengthened thereby. Credits for merchandise are here given at three months' time; for wine and tobacco, six to nine months. Long credits lead to carelessness in business, a want of knowledge of the present condition of affairs, overproduction, and disastrous competition. Where the longest credits prevail greater risks are taken in sales to persons of insufficient means, and competition destroys profits. Again, when long credits prevail cash payments receive the largest discounts, showing the anxiety of the seller to realize on his overstock even at a loss.

EDWARD M. SMITH,

Consul.

UNITED STATES CONSULATE,
Mannheim, October 29, 1883.

BARMEN.

REPORT OF CONSUL SCHOENLE.

I have the honor to herewith submit my report, made in conformity with instructions contained in the Department circular dated May 15, 1883, on the methods and systems of credits prevailing in this consular district, and its cognate subjects.

Prior to the preparation of this report I consulted several bankers, manufacturers, and tradesmen, for the purpose of securing needed data to enable me to furnish reliable and practical statements desired by the professed object of the circular.

I may be permitted to preface the answer to the several interrogatories contained in the circular by the observation that in the extensive manufacturing district of Southwestern Westphalia, and especially in the Rhenish province, a liberal and healthy system of credit was much earlier developed than in any other part of Germany, and this generous and judicious credit gave the nascent industries of Barmen and vicinity, and, in fact to those in the greater part of the Rhenish province, a vivifying impetus, and in course of time a firm foothold.

The smallest amount of capital was realized and continually changed hands, thereby supplementing the then existing scarcity of accumulated capital, at the same time keeping employers and employes in a lively activity, and thus bringing both into a close and friendly relation to each other.

CREDIT GIVING.

This introductory facilitates the answer to the first question in the circular, and I merely express the universal opinion of the business men in Barmen and vicinity by stating that credit is instrumental towards stimulating trade, provided it is confined to certain limits and well-defined rules and not overstrained by both credit givers and credit seekers. It is a matter of record that a well-regulated system of credits, resting on the mutual confidence of both creditors and debtors and on rather short terms, is a sure criterion of the healthy economical life of any nation.

CREDIT SEEKING.

As a rule, people in this locality are not averse to contracting legitimate debts. They prefer to buy on trust, but in good faith, and the non-payment of debts is rather exceptional.

People here in general, however, are not in the habit of availing themselves of the so-called consumption credit; that is, the giving away upon trust of such commodities as are consumed at once, such as provisions and spirituous liquors.

SUMPTUARY LAWS.

The numerous and, in the light of the present age, somewhat absurd sumptuary laws enacted by German diets in the sixteenth and seventeenth centuries have long ago been turned out of existence and fashion, nor are any restrictive regulations in force concerning credits.

CREDIT AND BUSINESS.

Barmen and the surrounding towns being pre eminently manufacturing places, and all their staple articles, such as braids, bindings, and

trimmings, the manufacture of buttons and woolen stuffs, seeking foreign markets, their credit in proportion to the volume of business is pretty extensive.

In the wholesale trade three-fourths to seven-eighths of the goods are bought on credit.

Manufacturers generally sell their goods to foreign consignees at terms ranging from sixty days to three months and even six months.

As a rule, long terms of credit are still in vogue in Germany, principally in the business of manufactured goods. There has, however, for some time been inaugurated a commendable reaction against this system of long credits, and the shorter credit relations of France and England are growing in favor from year to year, especially in the retail business.

The laboring classes in this district being on the average constantly employed during the whole year, and earning comparatively fair wages, retail dealers are not forced to give as liberal a credit in this locality as in other portions of Germany, especially in the poor and here and there sterile provinces of Eastern Prussia and in the overpopulated provinces of Silesia.

LOSSES IN BUSINESS.

Business in this district, on the whole, is carried on with great circumspection, and even with a degree of narrow-mindedness. Most of the manufacturing establishments are of old standing, resting on a solid basis. As a class, business men are averse to any hazardous commercial ventures and mercantile speculations; on the contrary, they are very conservative and even traditional. It is, therefore, but natural that losses incidental to business are not very great. Moreover, credit-seekers are generally good and prompt payers. Soon after the termination of the Franco-German war, when the five milliards exacted by Germany as a war indemnification from France were pouring in upon the people, and nearly all classes enjoyed a few years of plenty, credit was given and taken more freely and almost carelessly. The consequence was that after the great business collapse in 1876, when the milliards had disappeared and the plethora vanished, great losses were suffered on the part of creditors. Since that time merchants and dealers have become more cautious, and it may be said that in normal times people are generally willing and able to meet their obligations.

LIMITATION OF CREDIT.

With reference to the sixth interrogatory it may be laid down as a rule that credit extended to mechanics and laborers by tradesmen is tolerably limited. It is not customary to sell goods to laborers on credit. The goods the latter are in the habit of buying on credit consist chiefly in groceries, small lots of furniture, and some dry goods, and those articles can only be obtained by them on trust at small shops, generally located in the workingmen's quarters and dependent upon their patronage, but this small credit does not usually extend over a week or two weeks. The laborer generally pays his bill every Saturday, this being his pay-day.

CASH BUYERS.

As to interrogatory seven, the rule that cash buyers have the advantage of buying their goods at a small per cent. cheaper than those that purchase on credit, and that the former can hunt up the most suitable and at the same time cheapest sources, hold also good in this district

The rate in favor of cash buyers ranges from 2 to 3 per cent.

The general rate of discount allowed to American consignees averages 5 per cent., but some manufacturers even allow their transoceanic customers from 10 to 15 per cent. for cash. The latter figures, however, are exceptional.

TIME ACCOUNTS.

In accordance with the German commercial laws merchants can, without any formal agreement or any further monition, claim interest on any bill from the day it had become due but had remained unpaid. The rate of such interest is legally stipulated at 6 per cent. In the wholesale business commercial transactions are generally contracted payable in thirty days, which term is considered cash payment. When bargains are made for a longer time, or when merchants permit their stipulated terms to run out, 5 or 6 per cent. interest is commonly charged.

In the retail trade percentage is usually added to the market price when goods are sold on trust.

EVILS OF CREDIT.

The evils of credit in this district are only conspicuous with that portion of the working people that are indolent and addicted to the excessive use of intoxicating liquors. Concerning the last feature it must, however, be observed that by wise legislation innkeepers are prohibited to levy on the wages of workmen for debts contracted by them for the use of any quantity of intoxicating liquors, and that the license concession, as it is called in Germany, of any innkeeper is subject to withdrawal whenever he is convicted of having knowingly retailed to minors or habitual drunkards any quantity of spirituous liquors.

These wholesome restrictions are based on ministerial decrees, and are in force throughout the whole German Empire.

There is another subject bearing indirectly on the general phase of this question.

By virtue of the German trade ordinances, revised in 1869, the so-called truck system has been abolished, so that the wages of the workman must be paid in cash money, and the workman is not forced to purchase his necessaries of life at the shops of his employer.

The evils of credit also press heavily on those ignorant peasants who fall into the hands of usurers and land-sharks.

By giving credit *ad infinitum* and exacting unusually high interest on their loans, and other sharp and shrewd manipulations, these vampires very frequently, after having sucked the very life-blood out of their poor victims, put their feet upon their necks, and by subastation drive them from their home.

CASH RETURNS.

Discussing interrogatory 10, it is proper to say that but few commodities, such as flour, fruits, spices, and articles of that kind, are traded at short drafts or command cash returns, while manufactured articles, such as leather and woolen cloths, are not sold for cash, except in the large fairs—*Messen*—which are still kept up at Leipsic and Frankfort-on-the-Main, but this sort of cash transaction is growing less every hour.

CREDITS OF RECORD.

Mortgages on real estate are taken very frequently. The real estate of nearly every wholesale and retail merchant in the city is incumbered

with a mortgage, but Barmen being in the first place a manufacturing and not a commercial city, transactions in mortgages, judgments, &c., do not, as a rule, prevail among any class of people. These commercial papers are generally deposited at the banks as collateral securities.

FAILURES AND RESUMPTION.

The simple fact of a person having once failed in business or being discredited is no obstacle to his resumption. Whenever he is able to remove the causes that led to his failure, and when his business qualities and social habits entitle him to the confidence of the public at large, he may soon place himself in a position so as to regain credit at the hands of his former creditors, resume his business, and carry it on unmolested by any legal restrictions. When, however, persons are suspected of having entered into a fraudulent bankruptcy, they are in the first place amenable to law, and will be proceeded against, and in case of conviction will be sentenced to confinement in the state penitentiary, or, under mitigating circumstances, to imprisonment in a local jail. Being placed in this predicament, such an individual may then be considered ruined financially as well as socially.

BANKRUPTCY.

Wholesale trade and manufacturing establishments being carried on in an economical and strictly mercantile style, bankruptcies with those business men are of a rare occurrence, while with small tradesmen failures are more frequent.

The following table shows the number of bankruptcies within the period of five years in the city of Barmen, with a population of a little over 100,000:

1878	121
1879	95
1880	43
1881	49
1882	37

It will be seen from the foregoing table that the number of bankruptcies had considerably and even disproportionately decreased at the end of the year 1879. The cause of this extraordinary decrease is to be attributed to the new bankruptcy procedure and the new system of legal proceedings, both of which went into force throughout the whole German Empire on the 1st day of October, 1879. In accordance with these new legal proceedings, the management of the bankrupt estates was intrusted to the jurisdiction of the court of common pleas, while prior to that time commercial boards, composed of merchants and tradesmen, aided by a legal adjunct, attended to the settlement of bankrupt cases. Now the courts take only cognizance of such declarations of insolvency which will ultimately not only cover the costs of the legal proceedings, but which will, in addition, guarantee at least assets to such an extent as to secure a minimal dividend to the benefit of the creditors. If the courts cannot be satisfied as to these requirements, proceedings will be suspended, and then the debtor is not able to get rid of his debts by a legal process. By the former *Code de Commerce*, a statute under the then French law prevalent in Rhenish Prussia, any declaration of bankruptcy was accepted if only the costs of the proceedings would presumably be covered. As a matter of course, by this last pro-

cedure persons could much easier enter into bankruptcy, and it was frequently taken advantage of by persons who had not much at stake by becoming bankrupt.

RELIEF.

Examining the fourteenth interrogatory, it may not be out of place to state that the relief acts in bankruptcy as contemplated in the circular are of a judicial character. To the category of these acts belongs the so-called "compulsory agreement," or "accord," as it was called under the French law. Its legal features may be summarized as follows:

Prior to the public sale of the estate the common debtor enjoys the privilege to submit a proposition to his creditors to the effect that he is willing and able to pay a certain dividend out of the estate. Whenever a majority of the creditors, representing three fourths of the aggregate claims of the total debt, agree and accept the proposition of the common debtor in good faith, and the court has sanctioned it, the rest of the creditors are compelled to submit and accede to the conditions of the agreement. By complying with this agreement the common debtor will be discharged and fully released, and may resume the management of his estate at once.

Independent of legal relief acts private settlements are not unfrequently resorted to. These may be reached in two ways. Either the creditors are satisfied with a definite percentage or they accept in the first place payment on account in single installments, and the common debtor binds himself in the shape of so-called "benefit notes" to pay the balance of his claims as soon as his means place him in a position to come up to his contract.

FORTUNES.

Taking up the fifteenth interrogatory in its turn, it may be responded to by the statement that whenever all branches of business are flourishing and capital is freely invested in all sorts of ventures, fortunes are not seldom made rather fast. The fact should, however, not be lost sight of that it is in the nature of surrounding circumstances that fortunes are made faster in the New than in the Old World.

In critical and hard times experience teaches that fortunes in this part of the country are also lost readily. But, on the whole, there is a certain stability and solidity of business prevailing within this district, and, as a rule, it may be said that fortunes are generally made only by close application to business and economical management, and that so acquired fortunes are commonly retained.

By the habit of the frequent intermarriage among the offspring of the old and wealthy families these fortunes do ordinarily not run out into different channels, but rather accumulate in the hands of these moneyed aristocrats.

GENERAL EFFECTS OF CREDIT.

Inquiring into the gist of the last interrogatory it may be laid down as a theorem that credit will turn out to be beneficial and salutary to individuals, as well as nations, who are industrious and whose social habits and commercial customs are based on frugality and economy, while it is sure to prove detrimental and even ruinous to those persons and nations who are indolent, and whose habits and customs are the contrary of being frugal and thrifty. People in this district being more or less imbued with a certain tinge of puritanism, and conducting their

private and business affairs on principles of strict economy and without entering into hazardous speculations, credit proved and still proves to be a wholesome relief to them, the more so as they, taking an average standard, are no inveterate and habitual devotees to Bacchus and Gambrius, as people in certain parts of Germany are accustomed to be, and as they do not usually fall victims to whisky and other spirituous drinks.

By way of digression, the fact should, however, not be concealed that the laboring classes are somewhat fond of the bottle, but otherwise satisfied with the most frugal diet. In this connection it may not be amiss to state that it would be far from being true to assume that they are fully content with their lot, and that they have not for some time felt their social and political dependence an unjustifiable incubus.

This despondent feeling has led them *en masse* into the ranks of the Social Democratic party, the most antagonistic one to the existing institutions and even to the form of government.

Nearly seven eighths of the working classes in this district belong to this party, the followers of which by virtue of the imperial laws enacted against socialistic machinations are, in fact, branded as political outlaws.

The workingmen in general seem to live a life of helpless wretchedness and gloomy stolidity, and full of bitter envy against their better-situated fellow-beings.

Recurring to the subject proper, it may be observed that many a new beginner in business has worked himself up by availing himself of judiciously given credit, and is now in possession of a well-directed and paying business, and that many a business man has been carried over certain commercial difficulties in times of crisis by obtaining a sufficiently large and long credit.

It may be stated as an established fact that it depends on the character of an individual and of a nation whether the effects of credit will prove beneficial or detrimental to them, but, as a rule, the theory will hold good that a rational system of credits is a timely corrective and a proper expedient for individuals as well as nations.

WOLFGANG SCHOENLE,

Consul.

UNITED STATES CONSULATE,
Barmen, August 2, 1883.

BAVARIA.

REPORT BY CONSUL HARPER, OF MUNICH.

1. Does credit stimulate trade?

Yes; and it stimulates trade because a great many quite legal transactions could not take place if the buyer had to pay ready money, instead of having three, or on some articles six, months' credit, during which time he may reasonably expect to have sold the greatest part of his purchase.

2. Are people averse to contracting debts?

Can be answered negatively. There is only a small percentage of firms, old, long established, and opulent, who possess the means and the principle of asking no credit.

3. Are there any sumptuary laws or regulations concerning credits? There are no such laws or regulations except the law against usury.

4. To what extent does credit prevail in proportion to the volume of business?

The manufacturer is obliged to sell at least three-fourths of his products on time; the wholesale merchant rather more. At retail, to private consumers one-quarter to one-third is sold on credit. It may be assumed that nine-tenths of all business transactions are on a credit of from one to six months.

5. To what extent do losses incidental to business prevail?

Losses are very frequent; old firms may pick their buyers, but beginners and smaller firms find themselves obliged to incur sometimes risks by dealing with weak buyers; they limit the credit and do not give any goods until the last invoice is settled; still losses are suffered. We may estimate the loss of the manufacturer at 1 per cent. of the barter, that of the wholesale merchant at 2 per cent., and that of the retailer, excepting groceries and provisions, at even more.

6. Do tradesmen extend credit to mechanics and laborers readily?

Small tradesmen do so, but not to any great extent; in manufacturing places the practice is more general and can hardly be avoided. Mechanics not only receive credit, but it is even sometimes urged upon them to their harm. To laborers less credit is given, and then only by very small tradesmen for the necessities of life.

7. What advantage have cash buyers?

Cash buyers are always favored and preferred. According to the article sold, the discount allowed to cash buyers varies from 1 to 6 per cent., the annual interest by which the discount is calculated being assumed to be from 4 to 10 per cent. Exceptionally, as much as 10 per cent. discount is allowed.

8. Is interest demanded on time accounts?

Generally no interest is demanded on time accounts. If the regular time is exceeded, the majority of firms demand 5 or 6 per cent. annual interest, otherwise not.

9. With what classes are the evils of credit most conspicuous?

With small tradesmen, grocers, inn-keepers, tailors, shoemakers, &c., the latter two having to give long credits.

10. What kind of produce or manufactured articles command cash returns?

Raw produce, such as agricultural or forest produce, breeding cattle, hides, tallow, if bought from the butcher, fish, game, and vegetables are sold for cash on delivery. Of manufactures, I would mention only beer.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and if so, among what classes?

Mortgages are prevalent in town and country, the money being chiefly advanced by the banks. Houses are even sold more easily if a fair amount is mortgaged, the first mortgage being generally on annuity. The interest is usually 4 to 5 per cent. Rural estates are often very much encumbered, and eventually are sold by auction. A homestead law is very much demanded.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

If the failure has been settled by a "forced accord" (requiring the assent of two-thirds of the creditors), the man may continue in business, but of course enjoys no credit for a long while; but if the whole of the assets are distributed (after sale) to the creditors, he is liable to be prosecuted again as soon as he has acquired money.

13. Is bankruptcy frequent?

Unfortunately very frequent, although they decreased somewhat in 1880 and 1881. They are chiefly caused by the laxity of credit.

14. To what extent do relief acts in bankruptcy prevail?

By the compulsory arrangement, as in answer No. 12.

15. Are fortunes readily made and lost?

They were from 1860 to 1875; but since the last crash everybody is more cautious. Fortunes, however, are still made with comparative ease, and are lost mostly by speculations or extravagance.

16. What are the general effects of credit?

The general effects of credit are twofold. For the honest striving man it is a great boon, of which he will make a conscientious use; while to the careless and unprincipled it is a curse, being the shortest road to bankruptcy. Germany is not rich enough to do without credit. The credits are here longer than in France or England.

JOSEPH W. HARPER,

Consul.

UNITED STATES CONSULATE,

Munich, August 16, 1883.

BERLIN.

• REPORT BY CONSUL-GENERAL BREWER.

I have the honor of acknowledging the receipt of your circular letter of instructions of May 15, 1883, in which certain questions are propounded and answers thereto requested, and in compliance with such request I beg to report as follows:

1. Does credit stimulate trade?

This question is so general that any answer which might be given would be just as applicable to the United States as to Germany or England, and it can undoubtedly be much more satisfactorily answered by one who has made questions of political economy a life study than by myself. Generally speaking, I should say that credit did have a tendency to stimulate trade.

Many men have capital, but lack business capacity, while others have business capacity, but no capital. Any satisfactory arrangement whereby the latter is permitted to use the capital of the former will tend to stimulate trade and business. Credit given to persons without capital, industry, or business capacity must, on the contrary, tend to the general depression of all legitimate business. Without credit, very much accumulated capital would remain idle and unproductive, hence banks and loan associations become very necessary and useful in all business and trade centers.

There are thirty-two banks of deposit in Berlin; besides, many persons are engaged in brokerage and exchange business. Money has been plentiful during the past year at $5\frac{1}{2}$ to $6\frac{1}{4}$ per cent. upon good paper. The average rate of discount of the German Imperial Bank during 1881 was 4.42 per cent., while during 1882 it was 4.54 per cent.

Very many so-called "co-operative associations" have been formed throughout Germany, bearing different names, according to the object they have in view. Some are known as "credit associations," formed for the purpose of receiving money on deposit and loaning the same to its members; some as "distributing associations," formed for the purpose

of buying goods, groceries, &c., at wholesale, and supplying its members with the same at less than the usual retail prices.

As I learn from a report prepared by the late Dr. Schultze-Delitsch, who had much to do in the building up of these co-operative associations, in 1881 there were in Germany 1,889 of these "credit associations," and 898 associations engaged in trade and industry. There are also some 700 "agricultural associations," so called, who receive moneys on deposit and loan to their members the same; 902 of these credit or loan associations (not agricultural) reported a membership of 462,212; money advanced or loaned by same, 1,472,004,974 thalers, a thaler being equal to, say, 72 cents American money. Much of this was probably loaned on short time.

In connection with this, I might say that recent reports of the savings banks generally show an increased number of depositors, as well as an average increase in amounts to the credit of such depositors.

2. Are people averse to contracting debts?

My two years' experience here has led me to believe that the German people contract debts about as willingly as they do in the United States. Persons of good business capacity who are honest and industrious often seek credit on the accumulated capital of others, fully believing that they can increase such capital to an amount exceeding that which they are to pay for the use thereof. Another class of people, perhaps with plenty of means, contract debts, seemingly from force of habit, and only pay after repeated solicitations; while a third class contract debts without, at the time, having any expectation of paying the same, and very little or no desire to do so.

The laws here are undoubtedly more stringent against the fraudulent contracting of debts than in most of the States of the American Union; hence, this latter class cannot ply their credit system so largely or successfully as in America.

3. Are there any sumptuary laws or regulations concerning credit?

Debts are not recoverable when contracted by minors or persons under guardianship, or otherwise incapacitated to contract the same. Debtors who know themselves to be insolvent and continue to contract debts in an excessive manner are liable to be punished by imprisonment.

Rates of interest are not prescribed by the laws of the Empire, and, so far as I can learn, no such laws exist in the several German states. A law was enacted in 1880 by the German Reichstag, making it a misdemeanor, punishable with imprisonment, for taking a usurious rate of interest, but the question as to what would be a usurious rate seems to be left to the court to determine in each particular case.

4. To what extent does credit prevail in proportion to the volume of business?

I am unable to give any official or statistical information in regard to the matter; the percentage of business done on credit is undoubtedly large.

5. To what extent do losses incidental to business prevail?

I have no information, and am unable to procure any upon which to base an answer to this question.

6. Do tradesmen extend credit to mechanics and laborers readily?

I think not, and this is one reason why so many mechanics have united with the credit and trade associations such as I have referred to.

7. What advantage have cash buyers?

Purchasers paying cash are usually allowed a discount of from 2 to 5 per cent.

8. Is interest demanded on time accounts ?

Not usually.

9. With what classes are the evils of credit most conspicuous ?

We should say, generally speaking, with that class who buy things on credit which they can reasonably dispense with.

10. What kind of produce or manufactured articles command cash returns ?

All kinds of agricultural productions, but agricultural machinery and tools are usually sold on credit.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes ?

Debts secured by mortgages are very prevalent, more especially among farmers, mechanics, and those possessed of small holdings.

12. When a person once in business has failed, or has been discredited, can he resume, and what are the obstacles to such resumption ?

The course of procedure is quite similar to that in like cases in America. Debtors are often able to compromise with their creditors and go on with their business. When this cannot be done, they can take the benefit of bankruptcy proceedings.

13. Is bankruptcy frequent ?

This depends very much upon the state of trade and condition of business. I do not think bankruptcy has been very frequent during the last year, as the trade has been generally quite good.

14. To what extent do relief acts in bankruptcy prevail ?

When proceedings are taken against an insolvent debtor the court has the power to grant him full and complete relief after the distribution of his property among his creditors. No receiver will be appointed by the court when there is not sufficient property or assets to pay the expenses of the bankruptcy proceedings.

15. Are fortunes readily made and lost ?

No, I think not; not so readily as in the United States. There is far less opportunity to speculate in Germany, and perhaps the desire to speculate is less. As a people, the Germans are more economical and saving than are our own people. Lotteries are very common and fully authorized and licensed by the different German states, and far too many people of limited means are continually hazarding that which should go to the support of their families in the futile effort to draw a fortune.

16. What are the general effects of credit ?

Any answer that I might give to this question would be only an individual opinion or expression, and that I have briefly given in answer to the first question, and I do not think it advisable to theorize or speculate further upon the subject-matter.

M. S. BREWER,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Berlin, July 31, 1883.

BREMEN.

REPORT BY CONSUL WILSON.

The circular-letter, under date of May 15, 1883, desiring certain information on "the systems of credits and their relation to, and effect on, the general prosperity," &c., and submitting a series of interrogatories

prepared by the Board of Trade of Scranton, Pa., has been received. In answer thereto I have the honor to submit the following report:

1. Does credit stimulate trade?

From the best information I can obtain, derived from business men of all classes, and from my own observation during an experience of some ten years of German trade and business, the habits and customs of the people, I would say that credit retards rather than stimulates trade, unless made and given upon sound commercial bases, and that it is one of the greatest drawbacks to an expansion of the volume of trade, and an injury alike not only to the creditor but to the debtor also.

2. Are people averse to contracting debts?

As a general rule, for the luxuries of life, yes; for the necessities of life debts are readily contracted, but perhaps to a lesser degree among the Germans than most any other people, owing to their general honesty, frugality, industry, and saving habits, and the general belief in living within their means.

3. Are there any sumptuary laws or regulations concerning credits?

In this consular district there are no statutory laws governing credits. The law of custom, however, if it may be so called, regulates and controls the entire credit system. In brief, the custom is as follows:

In wholesale trade a credit of from two to six months is given, excepting on the articles of petroleum and pork. These are usually sold for cash. In retail business, such as dry goods, hardware, &c., a credit of from six to twelve months is given.

In stores and shops of articles of daily consumption the better classes have a credit of from three to six months; laborers and mechanics, according to their pay-days, usually from two weeks to a month.

In the open markets, where fish, vegetables, &c., are sold, cash payment is the general rule.

4. To what extent does credit prevail in proportion to the volume of business?

I should say to an extent of not less than eight-tenths of the entire amount, as credit is the general rule of all business transactions.

5. To what extent do losses incidental to business prevail?

In general, about 10 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

Yes, to a certain amount, if the laborer has employment, and for a certain length of time, which is regulated according to the pay-days of the laborers, which are usually twice a month; in some cases every week.

7. What advantage have cash buyers?

In all retail business it is the general custom to give 4 per cent. discount on all purchases when payment is made at time of purchase and delivery.

8. Is interest demanded on time accounts?

In retail business no interest is demanded. In wholesale trade interest is usually included at the rate of 6 per cent. per annum in the price; if cash is paid a deduction of 6 per cent. per annum is made.

9. With what classes are the evils of credit most conspicuous?

Credit is universal and prevails among all classes.

10. What kind of produce or manufactured articles command cash returns?

Articles of daily consumption, such as are purchased in the open markets; also petroleum and pork when sold wholesale.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and if so, among what classes?

Mortgages are given by all classes, and almost every householder owner of real estate has a mortgage upon his property, which upon sale passes from the seller to the purchaser.

The law regulating and controlling mortgages in brief is as follows: Owners of real estate desiring to mortgage the same must give notice to the real estate and mortgage court, and prove their ownership of the same. The property is then assessed by official assessors. When the value is determined the same is recorded, and a mortgage for half the amount is permitted. This, the first mortgage, is in general taken by the banks at a rate of interest of from 4 to 4½ per cent. per annum. After the mortgage is granted the same is then officially published, giving a description of the property, name, residence, &c., of the owner, the assessed value of the property, and the amount of the mortgage.

12. When a person in business has once failed, or has been discredited, can he resume; and what are the obstacles to such resumption?

The law regarding failure is as follows: At the moment a person declares himself insolvent he has no longer control of the estate; an administrator is appointed by the court who has the right to close the business at once and take everything in custody. He has to call a meeting of the creditors and there to give the cause of the failure and a general account of the standing of his affairs. The administrator appointed by the court has to give bond for the faithful performance of his duties if the court demands it. The creditors have the right to choose another administrator. Public notice has to be given of the appointment of the administrator, who acts under the control of the court, which can fine him if he neglects his duty. The administrator can claim fees for his services, which are to be paid out of the proceeds of the estate. At the meeting of creditors the votes of the creditors who appeared only count, and the others who do not appear have to acknowledge and submit to the conclusions made. The debtor is not allowed to leave the city during the settlement of his affairs without special permission, and has to give at any time all information in regard to his affairs; he can be compelled to make his statements under oath. The final settlement with vouchers must be deposited in the court by the administrator three days before the meeting of the creditors for their inspection. Until final settlement is made the party failing cannot engage in any other business on his own account; from the proceeds of his assets he is entitled to receive weekly a sum for his support, the amount to be determined by the court.

13. Is bankruptcy frequent?

To an extent of perhaps 2 or 3 per cent. of the entire number engaged in business.

14. To what extent do relief acts in bankruptcy prevail?

To a limited extent.

15. Are fortunes readily made and lost?

Fortunes are in general only acquired after long years of labor, and hence are not easily lost.

16. What are the general effects of credit?

It increases the price of all commodities from 4 to 6 per cent., and often induces persons to purchase more than what they are able to pay for.

JOHN M. WILSON,
Consul.

UNITED STATES CONSULATE,
Bremen, August 6, 1883.

BRUNSWICK.

REPORT BY CONSUL FOX.

Acknowledging Department circular of May 15 ultimo, requesting report upon the systems of credits which prevail in this locality, I beg to say that I have taken occasion to speak with leading business men resident here and have endeavored to obtain satisfactory answers to the inquiries propounded. I fully appreciate that the subject is one to be handled only with the greatest caution, and it has been my aim to touch simply upon the points called for. It may be safely asserted that credit stimulates trade. I find that business men generally maintain that it would be next to impossible to do a large business in Germany in any other way. It is true that credit-giving as well as credit-taking is often attended with injurious results. Merchants, especially younger ones, are tempted to buy more merchandise on credit than they can pay for or even use to advantage, finally being unable to sell it in the ordinary routine of business are forced to resort to other means. The result is the numerous closing-out sales which throw unlimited quantities of goods upon the market, the legitimate trade suffering in consequence. This sort of competition, if it may be so termed, is keenly felt in Germany, I believe I am correct when I say more so than in any other European country. Business men have, however, become more cautious in the last ten years, and losses do not prevail to such an extent as during the period before 1873.

Between 1873 and 1879 there were a large number of business failures in Germany; since then they have decreased, due partly to the general improvement in business, and especially to restriction in credits. Manufacturers and wholesale dealers concede as a rule a credit of three months, or $\frac{1}{2}$ per cent. discount per month, but in many cases a credit of six months is given, and many houses in the textile branch grant from 2 to 4 per cent. discount after three months; but the real burden is borne by the retailer.

It seems to be an extremely difficult matter to establish a retail business. Numbers of houses are opened annually only to be closed in a year or two, and in many instances in less than six months. Insufficient capital, combined with long credits, which custom forces them to give, appears to be the sea in which these enterprises founder. My own individual experience has been that the merchants themselves are largely responsible for this state of things. As a rule, bills are rendered half yearly, and the merchant is satisfied apparently if he receives his pay in one year. A man may be averse to contracting debts, and willing to pay for what he gets, but he will find it very difficult and sometimes impossible to get his bills. This is especially the case if the purchaser enjoys a good reputation. Merchants seem to have the idea that they must wait until the bill is larger, or perhaps imagine that they are guilty of an insult if they present it at once. This system, of course, affords frivolous and careless people abundant opportunity to run into debt far beyond their means. Many merchants condemn this way of doing business, and a cash buyer can always obtain 5 per cent. discount and even more, and, further, is sure to obtain a better quality of goods than the one who demands credit; but credit purchasers are as a rule preferred (*i. e.*, if they are held to be good), because it is maintained that they buy more, may be more than they need. The seller does not worry himself on this score, however. If a rendered bill is

paid within a reasonable time—say one year—no interest is charged. If it is necessary to sue for it, interest is always added. Debts are outlawed in two years.

Bankers very often give credit to manufacturers and wholesale merchants against a so-called credit mortgage (*Credit Hypothek*) which the debtor issues in favor of the creditor, secured by real estate. In some instances these mortgages are granted as a simple precautionary measure to enable the parties to obtain funds in case of necessity without any further preliminaries. In certain cases the banker holds them as collateral for discounted bills. In case of failure the banker is entitled to the proceeds of the sale of the mortgaged property after the satisfaction of all prior mortgages. If the creditor is not fully paid up by the sale of the thus foreclosed property, the balance of his claim ranks with those of all other non-preferred creditors. Farmers can obtain money at (some times) less than 4 per cent. by mortgaging their land with one of the trust companies founded for mutual benefit by corporations and provincial governments. Interest on mortgages on city property is higher. A number of trust companies, founded by stockholders, loan money on city property, but they charge comparatively high interest, so that the rental hardly covers it. While the first-named mutual benefit trust companies have really benefited the country to a large extent, some of the stock companies have done more evil than good by encouraging overspeculation in building and by charging high interest. A large amount of private capital, trust funds, &c., is loaned out upon city and country real estate, and if the amount borrowed does not exceed 50 per cent. of the amount for which the property is insured in the Government fire insurance bureau (*Brand-Kasse*), the same can be obtained at 4 to 4½ per cent. State and municipal institutions (*Leihhaus*, &c.) lend money also upon real estate. The borrowed capital is, however, not subject to recall, but is amortized under certain comparatively easy conditions.

The evils of credit are most conspicuous: 1. Among those who, having a fixed income, are led, through extravagance and the easy way to obtain credit, into expenditures which they are finally unable to meet; 2. Among mechanics employed in erecting buildings for speculators, who, not having sufficient capital to carry out their undertakings, fail before their completion. Numbers of this class buy the buildings on which they have claims, and not being able to hold them for want of means, are forced to sell out at a loss. This was especially the case after 1874, owing to the rapid decline in real estate.

As a rule, fortunes are not made rapidly in trade in Germany. In this immediate vicinity a great deal of money has been made in the last twenty-five years in the manufacture of beet-sugar. This industry is, however, dependent upon factors not entering into other branches, so that the position which it occupies is peculiarly exceptional.

The present German bankrupt law (*Conkurs-Ordnung*) went into effect February 10, 1877, and the Amtscourt (*Amtsgericht*) is the tribunal having jurisdiction in bankruptcy matters. When a person fails in business he can resume in his own name after the court has proclaimed the fact that all the assets have been divided among the creditors, and that the proceedings in bankruptcy have been closed. The creditors hold their claims, however, and the bankrupt can always be sued again in the event of his being successful. If, however, the bankrupt can obtain a settlement with his creditors, the latter after accepting same have no further recourse. This is generally the case, and is the only way by which a bankrupt can free himself, and is on the other hand pref-

erable to the creditors, who sometimes accept as low as 10 per cent. It is very often the case that bankrupts, before effecting a settlement with their creditors, or in the event of their being unable to do so, establish a new business in the name of some near relative, generally of the wife, appearing in the new firm simply as proxy.

Husbands are obliged to pay the debts contracted by their wives and family for necessities, but if the members of a family contract debts for luxuries notoriously beyond the means of the supporter of the family, the latter cannot be held liable.

About two years since a new usury law came into effect in Germany by which a court of law has to decide whether a certain transaction is usury or not, rates of interest not being limited on account of the fluctuations of the market. To lend money to minors is in some cases punishable by imprisonment.

In general it may be said that short credits judiciously given are of great benefit to trade; long credits being not only injurious but disastrous. The unhealthy system of credits existing in Germany is fully appreciated, and strong efforts are being brought to bear in the endeavor to correct the evil. This can only obtain very slowly, as any sudden change of this character would cause great embarrassment in many quarters.

In conclusion, I have to acknowledge my obligations, and take this occasion to extend many thanks to Mr. Vice-Consul Simon, Max Jüdel, esq., and Judge Rhamm, of this city, for courtesies extended in connection with this report.

WILLIAMS C. FOX,
Consul.

UNITED STATES CONSULATE,
Brunswick, August 14, 1883.

COLOGNE.

REPORT BY CONSUL SPACKMAN.

In answer to the interrogatories contained in circular of May 15, 1883, in reference to the system of credits prevailing in this consular district, I have the honor to reply as follows: To the first interrogatory:

Does credit stimulate trade?

Good and reasonable credit doubtless stimulates trade, and is, in fact, an essential factor in its development, as far as transactions among bankers, industrial establishments, manufacturers, and wholesale merchants are concerned. Retail credit is injurious to the purchaser as well as to the seller. The German custom of half-yearly accounts has many drawbacks, but it is difficult to change the system. Wealthy retailers almost monopolize trade by granting six months' credit to their regular customers, to the injury of small dealers, who have to look for quick returns in order to buy advantageously for cash or upon short credit. As regards private purchasers, people of wealth and good standing do not need credit, while those of limited means and small means are induced to make debts, which they are frequently unable to pay. Retailers calculate their prices in view of such failures, and good customers have to pay for losses occasioned by selling to doubtful or insolvent people. Credit to private individuals for the purpose of speculation on 'change or otherwise causes many losses and disturbances in the market.

Are people averse to contracting debts?

Wealthy and respectable private persons are averse to contracting debts, but it is necessary for others to do so if they wish to transact business.

Are there any sumptuary laws or regulations concerning credits?

Article 283 of the penal laws of the German Empire provides as follows: Merchants having stopped payment shall be punished for *simple* bankruptcy with two years' imprisonment, if they are indebted for sums spent or expended in extravagance, gambling, or "differential" speculations in merchandise or on 'change.

To what extent does credit prevail in proportion to the volume of business?

Transactions on 'change, in the produce market, and in retail business are generally effected upon the cash principle, while wholesale transactions in industrial products and manufactured goods are mostly based upon a credit of from one to twelve months, generally six months. Nine-tenths of the latter transactions are estimated to be made upon credit.

To what extent do losses incidental to business prevail?

It is impossible to state definitely the extent of losses incidental to business. Many of those which occur are kept secret, the parties in interest making private settlements. Those losses which are made public are comparatively small, except in times of great financial troubles.

Do tradesmen extend credit to mechanics and laborers readily?

The cash principle generally prevails among mechanics and laborers, credit being very exceptional. They do best when they regulate their expenses by their income, buying for cash and depositing their surplus funds in savings banks. When credit is given them it frequently causes their ruin.

What advantage have cash buyers?

Cash buyers can purchase the very best quality of goods, and at the very lowest market prices, in fact very often below such prices, where the seller is in want of money.

Is interest demanded on time accounts?

Interest is demanded among wholesale merchants, but not among retail dealers; that is, prices vary and depend upon the manner and time of payment by the purchaser, interest being added to the price of the goods when credit is allowed.

With what classes are the evils of credit most conspicuous?

The evils of credit are most conspicuous among small retailers, and especially among mechanics and laborers.

What kind of produce or manufactured articles command cash returns?

Agricultural and montanic products generally command cash returns. Manufactured goods are mostly sold for credit, buyers deducting interest at the rate of 6 per cent. per annum on anticipated payments.

Are credits of record (mortgages, judgments, &c.) prevalent, and if so, among what classes?

So-called credit bonds and mortgages prevail among bankers and wholesale merchants to secure their credit accounts with customers of not very good commercial standing.

When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

The German commercial and penal laws discriminate between "failing" and "bankruptcy." Merchants stopping payment are in a failing

condition, if the causes of such failing are excusable and they have committed no acts of dishonesty, embezzlement, or extravagance. The merchant having failed can arrange with his creditors voluntarily or he may receive a release by law, if the majority of his creditors, representing three-fourths of the total amount of his debts, accept the proposed arrangement. If it is approved by the court of commerce the failing merchant can resume business. The law discriminates between fraudulent and simple bankruptcy. The fraudulent bankrupt is excluded from rehabilitation, but the simple bankrupt can be rehabilitated, after proving to the court that he has paid his creditors in full. Fraudulent bankrupts and their abettors are punished with ten years' imprisonment, if they, with the intention to injure their creditors, (1) secrete or remove goods, merchandise, or other valuables; (2) acknowledge debts or acts which are totally or partly feigned; (3) have neglected to keep books and accounts prescribed by law; (4) have destroyed or secreted their account books, or kept or altered the same so that no knowledge of their affairs can be obtained.

Is bankruptcy frequent?

Bankruptcy is not frequent, most cases being privately settled, on account of the enormous costs attending a settlement in court,

Are fortunes readily made and lost?

Fortunes are only readily made or lost by persons speculating on 'change or in the products of the soil, especially in cereals and in oils.

SAMUEL SPACKMAN,

Consul.

UNITED STATES CONSULATE,
Cologne, July 11, 1883.

CREFELD.

REPORT BY CONSUL POTTER.

1. Does credit stimulate trade?

Yes. It cannot be doubted that trade and manufactures in this part of Germany could never have attained their present dimensions without a largely developed system of credits. The actual cash capital invested in, or at the disposal of, tradesmen and manufacturers, was much too small, under the most skillful manipulation, to have secured the activity and extraordinary progress that has been made in nearly every branch of industry in this district within the last twenty years. If trade could be carried on without credits, it would naturally remain in the hands of a few wealthy and strong firms; competition among merchants would decrease, goods would be dearer, and consumption, of course, would lessen. In this locality, scarcely any branch of business of magnitude can be established and successfully conducted unless favored by credits. The credits here referred to are such as are given by banks, manufacturers, and wholesale merchants, to the middle-men or retail dealers. It is quite otherwise with the credits which the latter extend to the consumer. The consumer, lured by favors from this source, is induced to expend above his means, and thus to corrupt his existence. This practice, also, forces tradesmen to demand larger and more extensive credits from the wholesale merchants, and in consequence of this fact the former feel obliged to ask higher prices, or to seek an equivalent for losses incident to long credits by furnishing the consumer with

inferior goods. The custom of giving credits of this kind also leads to many other evils. The creditor becomes incautions, bad debts and expensive suits ensue, and these are followed by irritation and a waste of valuable time and money on the part of both debtor and creditor; and the usual final result is the failure and ruin of the debtor, a general loss of confidence in the integrity of consumers, and great injury to trade and local industries. Such are the views which obtain among business men here. Small credits to the consumer are, therefore, not encouraged in this locality, although they are extensively given.

2. Are people averse to contracting debts?

No. Credits are so general that people, even of the higher classes, follow the custom. In the retail trade consumers, as a rule, pay at the end of the year, and trades-people seem to exhibit no wish to shorten the time they are obliged to wait for their money. The extent to which the evil of giving credit has grown is shown by the following fact: Some years ago the *Gewerbe-Verein* appointed a committee to devise methods for improving the condition of handicraft in this district, and that committee recommended the abolition of the prevailing system of long credits, and, instead of yearly accounts, advised the adoption of the system of cash payments or quarterly settlements. The master mechanics could not, however, be prevailed upon to accept the change recommended, although most of the better-situated consumers bound themselves in writing to pay in this way. The motive for this refusal on the part of the masters was difficult to understand. They acknowledged the advantages of the cash system, but declined to leave the rut in which they had so long traveled. Mechanics begin, however, now to see that it is for their interest to pay cash and receive the benefits arising therefrom, and the cash system is slowly but steadily growing. In the wholesale trade the use of credits is generally acknowledged as a necessity, but moneyed institutions are very cautious and conservative in making loans, and disasters to banks and loan companies are very rare in Germany.

3. Are there any sumptuary laws or regulations concerning credits?

Actual sumptuary laws (*Luxusgesetze* or *Aufwandsgesetze*) do not exist in Germany. There are, however, some laws which restrain sales on credit. To these belong the law of June 21, 1869, which provides that the wages of laborers and workmen cannot be trusted, or seized, until actually due. The *Gewerbeordnung* (ordinance for trade) for the same date prohibits the so-called "truck system" (sections 146 and 147), or the soliciting of orders for goods without observing the ordinances of police. Sections 301 and 302 provide a severe penalty for tradesmen who take advantage of the inexperience of minors by inducing them to accept credits. The *Civil-Process* published October 1, 1879, prescribes in section 749 that the salaries or official incomes of officers of the army and navy, civil officials, and private employés, which do not exceed 1,500 marks, shall not be subject to seizure. One-third of any surplus over that sum is subject to attachment. Certain provisions are made for a bankrupt and his family. The allowance is always fixed by the court. The *Civil-Process-Ordnung* prescribes in sections 715 and 749 that the following necessary articles shall be exempt from seizure under execution: Household furniture, clothing, beds, stoves, food and fuel sufficient for two weeks, one cow or two goats, the necessary tools for profession or business, books for church and school purposes, and certain incomes.

4. To what extent does credit prevail in proportion to the volume of business?

That depends upon the character and solvency of parties seeking

credit. There are but few firms in a position to dispense with credits entirely. It is, of course, very difficult to estimate the extent of credits in proportion to the volume of business. Most of the few firms that have the reputation of paying cash, make use, occasionally, of credits with their bankers. It may be fairly assumed, therefore, that trade and manufactures in this district are carried on almost wholly under the credit system. The usual terms of sale of manufactured goods are as follows: For the German market, six months' credit, viz, draft on three months, drawn three months from date of invoice. For the English and French markets 90 days, or 30 days with $1\frac{1}{2}$ per cent. discount. Business with the United States is mostly conducted through representative firms in New York, Boston, Philadelphia, and other commercial centers, who discount the sales made for account of the Crefeld manufacturers. Such firms guarantee payments of net proceeds for an extra commission of $2\frac{1}{2}$ per cent. Where goods are sold for prompt cash, a discount of $2\frac{1}{2}$ per cent. is granted.

5. To what extent do losses incidental to business prevail ?

There are no attainable statistics which can be relied upon to answer this question. Since the inflation period which followed the German-French war failures have not been frequent in this district, and the percentage of losses through credits has been very small. In the last five years the *Amtgericht* (district court) at Essen had 76 bankruptcies in an average population of 114,700 and 1,243 firms. Losses incidental to the manufacturing industries of Crefeld depend on the condition of trade generally, and upon a favorable or unfavorable market for the particular class of goods here produced. Under the lead of fickle fashion the market for Crefeld manufactures is subject to sudden and extreme changes. This fact sometimes interferes with the engagements of debtors. But manufacturers have learned to be conservative and cautious, and their percentage of losses, arising from bad debts, is very small.

6. Do tradesmen extend credit to mechanics and laborers readily ?

Before the laws providing for personal arrest and arrest of wages were abolished, credit to mechanics and laborers was readily granted by a certain class of small tradesmen, who derived a large profit from the sale of an inferior quality of goods. This class of tradesmen had arranged a complete system for fleecing the working people. The latter not only obtained credit readily, but had it actually forced upon them by creditors who knew that the above-named laws delivered the debtor over to their mercy, and that they could threaten him with loss of living, prosperity, and liberty, if he did not pay his debts. Of course, workmen having once acquired the habit of borrowing, bought beyond the requirements of necessity, and, under the indulgence of their creditors, sunk deeper and deeper into the mire of debt. Honest workmen and their families, under this credit snare, were reduced to poverty and want. Some manufacturers endeavored to check this evil practice of their workmen by discharging them as soon as an arrest of wages was obtained against them. This weapon was, however, two-edged, for it obliged the workman to emigrate because he could not find employment in the place where he was known, and the employers in this way deprived themselves of skilled and tried workmen. Since the law of June 21, 1869, was passed, wages of laborers cannot be seized before the day of payment, and then only the wages earned and not yet received can be arrested. In general, mechanics obtained credit from tradesmen for raw material, such as leather, colors, wood, metals, &c. But under this custom wages became higher and the masters less de-

pendent. To change this result, which had become quite serious, some firms, such as Fried. Krupp, Schulz, Knauth & Co., as well as most of the mining associations, established stores for the benefit of their workmen and employes, where the necessities of life, of good quality, were sold at wholesale prices, but strictly on cash terms. Krupp, for example, established, in the town of Essen alone, twelve stores of this character, and their sales, in 1882, reached the sum of 3,430,000 marks. The number of workmen trading in them was 11,011. Besides these, he established taverns, or hotels, where the workmen could get cheap, but good and healthy, beverages. While these establishments are a great boon to the workmen, they seriously interfere with the trade and profits of the respectable class of tradesmen in that locality. These, however, are not in the habit of extending credit to the poorer classes. In Crefeld, mechanics obtain credit from tradesmen readily, although their claims are not protected by especial laws. They sell small quantities at a time and at prices which are in proportion to the risks they incur.

7. What advantages have cash buyers? and

8. Is interest demanded on time accounts?

In the retail trade cash buyers have, as a rule, no advantage. In a few branches of trade a discount of 5 per cent. is sometimes granted, as, for example, in book-selling and some similar branches of business. For groceries, colonial produce, victuals, and articles of a similar character cash is demanded, except in the retail trade mentioned under the sixth interrogatory. The custom in the wholesale trade is to grant an allowance of $1\frac{1}{2}$ to 2 per cent. to buyers who pay cash instead of making use of the ordinary three months' credit. Interest on time accounts is only demanded where the three months' customary credit is unduly exceeded. In Crefeld, silk is bought on nine months' credit, or 5 per cent. for cash, which is equal to about 7 per cent. per annum. Cotton yarn is bought at 7 per cent. discount for cash, 6 per cent. discount on two months, and interest at the rate of 6 per cent. per annum for longer time. On other transactions from $2\frac{1}{2}$ to 3 per cent. is allowed for cash payments. Shops allow $2\frac{1}{2}$ per cent. for cash, and make their bills out net quarterly or half-yearly.

9. With what classes are the evils of credit most conspicuous?

This question has been answered in part under interrogatories 6 and 7, where the pernicious influence of credit upon the laboring classes has been shown. Whenever this class of people find credit within their reach they encounter the danger of being tempted to purchase beyond their means. Their standard of knowledge is not keen enough to withstand the solicitations and avarice of creditors and usurers, into whose hands they readily fall. If these people, especially laborers in manufactories and in mines, find the opportunity to acquire articles which contribute to their comfort and enjoyment without immediate payment, they are not mentally strong enough to resist the lure held out by tradesmen who are willing to furnish them, even when they are fully convinced that they will not be able to meet their engagements. The evils of credit are also conspicuous in other classes, but it is not easy to define any particular one, for the reason that the principles and character of individuals are involved rather than a general condition, such as affects the entire class of workingmen. In times of high prosperity in trade, merchants and tradesmen of the better class, as well as those not engaged in active business, are often induced, by the passion of acquiring wealth suddenly and without labor, to obtain credits beyond their means of control, in consequence of which many good and honest per-

sons and firms are brought to failure and ruin. This happens not only where intemperate and culpable speculation is pursued, but also where men and firms, not having measured their own capacity, have undertaken to carry on a business greater than their financial powers and ability could endure, and were thus overwhelmed by the magnitude, and not the quality, of their undertakings. But this kind of catastrophe happens seldom now in Germany. The losses which followed the war of 1870-'71 has made her business men conservative and very generally safe. The pernicious consequence of giving and taking credit too easily appears to be confined to laborers and mechanics, and among these that evil is conspicuous all the year round.

10. What kind of produce or manufactured articles command cash returns?

Colonial produce, raw material, grain, flour, and meats are mostly paid for in cash or by sight bills of exchange, with acceptance of bankers.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Yes. Such credits are prevalent among all classes of business men. Banks generally prefer, as security for loans, papers of value, but the *Reichsbank* (Imperial Bank), and many others, take goods and immoveable property. The *Sparcassen* (savings banks) generally require mortgages on real estate. Other banks and institutions of credit require deposits of valuable papers, goods, &c., as collaterals with notes for discount, especially when the borrower is not a well-accredited merchant. The laws relating to mortgages are excellent in Germany. There is perhaps no other country in which this class of security is so safe. The mortgagee has the right and opportunity to examine the value of his mortgage at all times. That is one of the reasons why banks prefer to give credits on mortgages.

12. When a person in business has once failed or has been discredited can he resume, and what are the obstacles to such resumption?

A bankrupt can only continue his business, or establish a new one, when his bankruptcy is brought to a conclusion by an agreement, either private or through the intervention of the proper court. As soon as a bankrupt has obtained his discharge in this way there is no real obstacle to his resuming business, but under the shadow of an impaired credit. If the bankrupt is honest, he readily obtains credit in establishing a new business. As a rule, failure, though never quite forgotten, is not for any length of time a serious hindrance to going into business again. Much depends upon the peculiarities of each case. If, however, there is a suspicion of fraud, the bankrupt in Germany would do well to take his new departure in business in some other country. If a bankrupt does not agree with his creditors, there is no legal obstacle to his establishing a new business if he can, but all the claims of his former creditors remain *in statu quo*, and he must in some way satisfy them in order to maintain his business. An "accord" is interdicted even when the creditors agree to it, if (1) the debtor is a fugitive, (2) if he has been impeached for fraudulent bankruptcy, or (3) if he has been legally condemned for fraudulent bankruptcy. In such case it is impossible for the bankrupt, who is in most cases condemned to loss of civil honors, to establish a new business.

In the retail trade, bankrupts who could not agree with their creditors sometimes continue their business under the name of their wives or children, and there are no means of preventing such an evasion of the laws.

13. Is bankruptcy frequent?

In this district cases of bankruptcy are very rare, and only occur in small concerns. There has been no large case of bankruptcy in this district for many years. Bankruptcy has, under the present *Concurs-Ordnung* (law regarding bankruptcy), and under the *Reichsgesetzgebung* (law of the Empire), very much diminished. In the retail trade bankruptcy is also of rare occurrence, for the reason that the costs of execution and administration absorb nearly all bankrupts' estates. The insolvent debtor and the creditors prefer, therefore, to agree privately, and this is generally done.

The following statement shows to what extent bankruptcy and insolvency have diminished in the last seven years in this *Amtsgericht* (jurisdiction of the district court):

Year.	Popula- tion.	Amount of the "Gewerbe-Steuer" (taxes for trade business).	Number of business firms.		Number of bankruptcies.					Number of small cases under 300 marks (or \$75).		
			Registered firms.	Non-registered firms.	Cases brought over from the preceding year.	Number of new bankrupt- cies.	Total number of bankrupt- cies during the year.	Cases in bankruptcy set- tled during the year.	Unsettled cases carried over to the next year.	"Mahnverfahren," or war- rant payment.	Common processes.	Bill of exchange processes.
		Marks.										
1875.....				803								
1878.....	111, 369		508		16	18	34	19	15			
1879.....	110, 013	56, 490. 00	430		15	12	27	22	5			
1880.....	113, 432	62, 400. 00	434	768	5	14	19	17	2	5, 490	2, 784	472
1881.....	117, 952	59, 810. 25	450		2	10	12	8	4	5, 364	2, 253	471
1882.....	120, 569			791	4	8	12	8	4	5, 264	1, 939	347

There were no cases of fraudulent bankruptcy during this period.

14. To what extent do relief acts in bankruptcy prevail?

There exists a *Concurs-Ordnung* (regulations for bankruptcy). Section 160 prescribes the rules and regulations concerning bankruptcy. The court, for example, requires the assent and agreement of the majority of the creditors present and at least three-quarters of the whole indebtedness, as well as the consent of the court. An agreement without the interference of court requires the consent of all the creditors. If no agreement is accomplished, a distribution by the court takes place. A private agreement is nearly always best for both creditor and debtor. The proceeding called *Zwangsvergleich* or binding-covenant (liquidation by arrangement), works as follows: After the examination of proofs, &c., has taken place, on the proposal of the debtor, an arrangement of the creditors may be entered into. To make such an arrangement binding on all creditors it is necessary—

(1.) That the majority of the creditors who have a right to vote, and who are present at the meeting, agree to the arrangement proposed.

(2.) That the amount of the claims represented by the assenting creditors shall also represent three-quarters of the whole amount of claims of all creditors who have a right to vote.

Should only one of the above conditions be fulfilled, the debtor has the right to ask for another meeting, to be called at a time to be fixed by the court. The assenting vote has to be confirmed by the court. If

confirmed, the court decrees the closing of the bankruptcy proceedings, which decree has to be published in certain newspapers. The covenant is binding on all creditors who have no preferential claims. If the covenant contains nothing to the contrary, the debtor obtains full control over the estate. If at both meetings of the creditors a majority for the proposals of the bankrupt cannot be obtained, the matter is left in the hands of the court, which manages the estate and closes the bankruptcy proceedings, at which time all proceeds are distributed. Under such circumstances, however, the debtor is liable to be sued by any creditor not fully paid.

15. Are fortunes readily made and lost?

No; not now in this district. Immediately after the Franco-German war there was a rapid development of trade, especially in mining industries, which finally degenerated into extensive swindling operations. During this time large fortunes were rapidly made, but when the general breakdown occurred in 1873-'74, fortunes thus gained were nearly swept away by the deluge of the financial disasters which followed that period of inflation. The mining industries of Rhenish Prussia are comparatively of recent development and are conducted under a peculiar system of share corporations (*Gewerkschaften*) and joint-stock companies. Under another brisk revival of business fortunes would probably again be readily made and lost through speculation in this part of Germany only. During the last few years trade has been steady, and no extraordinary fluctuations of capital have taken place. In general, tradesmen, mechanics, and laborers acquire prosperity only by long, patient, and continuous work. Germany is not a field for speculators. The pursuit of toilsome industry seems to be the destiny of her people. Life with them is a tug, and they must struggle honestly for existence. Fortunes are not readily gained by such people, nor readily lost when once attained.

Here and there large fortunes are amassed, but only by remarkable men under remarkable circumstances. As an example of such men may be mentioned Mr. Alfred Krupp, sole proprietor of the great cast-steel works of Fried. Krupp, at Essen, on the Ruhr. Forty years ago he was an obscure owner of a simple forge, and now he is many times a millionaire, and has in his employ more than 20,000 persons. The only capital he possessed, to begin with, was enterprise and industry. He followed a leading idea, and that was to introduce the manufacture of cast-steel, which was up to that date the monopoly of England, into his own country. By ceaseless perseverance and great privations and personal sacrifices, he at last succeeded. For many years he maintained, in Germany, a monopoly of this business, and it was this favorable circumstance that rewarded his energy and restless activity with such grand results. His fortune was earned with hands and head. Speculation did not help him to it. Such cases are of rare occurrence. But, even in Germany, active, industrious, and saving tradesmen, mechanics, and laborers can, and do, obtain wealth and independent positions.

16. What are the general effects of credit?

Capital in this country would not suffice to enable the trading community to transact the legitimate business that circumstances have placed before them. As long as the sound rules of business are not exceeded, the moderate use of credit in this district has had the effect of increasing production and extending the commerce of the country, and in promoting its farther development in many ways.

There are drawbacks to such a system, looking at it from the standpoint of the manufacturer. By means of credit people with limited

capital are enabled to start in the business of manufacturing, and a great many small concerns spring into existence and endeavor to compete with the larger and stronger manufacturers. Such small firms are very often obliged, when their limited credits are exhausted, to fail or to sell their productions at lower rates than the condition of the markets and prices of raw material would warrant. By such proceedings an undue pressure is put upon prices of staple goods to the detriment of a steady and healthy market.

EXCHANGE BANKS, ETC.

Exchange.—The exchange on Frankfort and on all other places where the *Reichsbank* (Imperial Bank) has a branch is always par, but the rates are not generally quoted. On small places, where no such bank exists, a slight deduction is made for the cost of collection. The post-office undertakes such collections if desired. On London the exchange varies from 20.25 to 20.55 marks per pound sterling for checks and sight bills, with the corresponding difference—according to the rate of discount in London—for the customary three months' bills. On New York no rate of exchange exists, as money transactions with the United States are mostly done through London bankers. The average price here for a draft at sight on New York is 4.25 marks for \$1.

Discount.—Business men of some standing, as a rule, obtain the money they require from banks by drawing on them at three months' time. Such drafts are largely, though not rashly, accepted by joint-stock banks, as well as by a number of private bankers doing business in this manufacturing district. Bills are readily discounted, if not running more than three months, even by the Imperial Bank, provided they show at least two signatures considered safe. The established rate of interest is 4 to 5 per cent. The law courts allow 6 per cent. for money claimed and sued for at law. The rate of discount fluctuates in ordinary times from $2\frac{1}{2}$ to 5 per cent. The banking commission for granting three months' credits to firms of standing would be $\frac{1}{4}$ to $\frac{1}{2}$ per cent. for three months. For people whose credit is not established, collateral security is, of course, demanded; but there is no established rule regarding such transactions.

19. Upon what principle is banking generally conducted?

Banks.—The banks issuing notes for circulation (for this district the *Kölnische Privatbank*) are subjected to the regulations of the *Reichsbankgesetz*. The other banks carry on various branches of banking, such as account-current business, checks or deposit accounts, discounting, sale and purchase of foreign bills, purchase and sale of stocks, &c. The check system has been introduced only quite lately into Germany, and has not yet become the general custom. On balances of accounts to be disposed of by checks, bankers are in the habit of allowing 2 per cent. per annum interest, or a trifle more.

J. S. POTTER,
Consul.

UNITED STATES CONSULATE,
Orefeld, August 2, 1883.

DRESDEN.

REPORT BY CONSUL MASON.

I have the honor to reply to your dispatch of May 15.

The question of credit in trade, its influence and stimulus, should be considered from two points of view, viz, credit in the wholesale trade and credit in the retail business.

The first, credit in the wholesale trade, is absolutely necessary to stimulate and encourage business, and manufacturers are forced and obliged to extend long and often risky credits, as competition is so sharp among them, and most companies are well supplied with capital sufficient to enable such extension and take such risks. All sorts of manufacturers, such as in cloth, linen, machinery, glass and pottery, and china in this country will allow their customers who retail their wares a credit of from three to nine months, while they allow a discount of 5 per cent. for cash. Most of the shop business is based on the credit allowed by the manufacturers.

The only articles exempt from credit and dealt in for cash exclusively are the products of the soil—in fact, all agricultural products, as well as cattle, sheep, swine, &c.; but for all other products—building material, liquors, wines, and beer—very long credits are given, and in the latter instance such is the competition among the wealthy breweries that extension of credit contracts are generally demanded and readily agreed to.

There are no laws to regulate questions of credit. It all depends upon the principles of trade, the laws of supply and demand. When an overproduction occurs credits are greatly extended to enable the retailers to work off the wares. While retailers for cash purchases can demand a discount of 5 per cent., they seem generally to prefer a long credit and pay later than enjoy the benefit of the discount. No interest is demanded on time purchases. Credits on mortgages are generally prevalent in the trade of houses, real estate, and landed property.

It is rare to find a piece of property, house or landed, free of mortgage. The interest on first-class mortgages has declined during the last six years to $4\frac{1}{2}$ per cent. Second-class mortgages will easily realize from 5 to 7 per cent. Bankruptcy on a great scale does not exist here as with us, though instances are not unfrequent. It is a burden one never divests himself of, and his hopes and prospects of success in business life are poor and scant.

The cases of bankruptcy are generally furnished by the smaller retail dealers, and should rarely occur with any business man of tact under such accommodating credits, but all avenues of traffic and trade are crowded and competition sharp. The three years following the war of 1870 with France were of great business prosperity apparently. Fortunes were rapidly accumulated in the rising market for every commodity, but they were more quickly lost when the bubble burst. Since and during 1874 business has been more conservative and quiet, surer if slower, and, with few exceptions, fortunes are accumulated only by adherence to the soundest business principles, with energy and enterprise.

JAMES T. MASON,
Consul.

UNITED STATES CONSULATE,
Dresden, July 25, 1883.

DUSSELDORF.

REPORT BY COMMERCIAL AGENT WARNER.

In reply to the Department's circular, dated 23d May, 1883, requesting from me a report on the credit system in this consular district, I have the honor to submit the following information, as I have obtained it after much inquiry from well-experienced business gentlemen residing in this vicinity. I would also state that there are some questions contained in the circular that I have found it quite impossible to procure anything like definite information on, and so I have left them unanswered.

In commencing this report I will first answer, although it is not first in the line of the series of interrogatories, the question, "What kind of produce or manufactured articles require cash returns?" and then proceed to give in general the terms upon which credit is based before answering the other interrogatories. All kinds of agricultural produce and produce of the forest command ready returns. Further, cattle; hides, horses, swine, wool, cotton, and every variety of imported ores. in the large trade, such as coffee, rice, sugar, resinous matters, and oils. Of course, when these articles get into the hands of the retail dealers there are many of them sold on credit, as well as for cash. Manufactured articles, with the exception of a few imported ones, are always sold on time.

CREDIT EXTENDED BY WHOLESALE MERCHANTS.

The conditions upon which all colonial articles (*i. e.*, when they are sold in the interior, such as are imported from the different colonies) are sold in this city, and in the Rhenishland and Westphalia generally, are according to the arrangements made by the *Handelskammern* (boards of trade). The terms are two months' net credit or 1 per cent. against cash. These are also articles that demand cash returns from the large wholesale merchants, hence the reason of these comparatively short terms. It is the custom with other wholesale merchants to extend three months' net credit, or from $1\frac{1}{2}$ to 2 per cent. discount, for cash. In regulating the payments the rule is to make small remittances in accepted bills of exchange, so that, for example, one half of the amount is paid in this way and the other half in bank-notes and coupons. This seems to be the best and cheapest way in settling the accounts. But, simple as this system may appear, it is by no means strictly followed, on account of the debtors waiting until, or about, the end of the term for payment and then to remit drafts that do not fall due for a couple of months after the date of the required time. This seems to be one of the evils in the credit system here, and there is much opposition in tolerating it. These drafts are, as much as possible, held out of the hands of the bankers, so as not to incur the necessary expense for their collection.

CREDIT EXTENDED BY MANUFACTURERS.

The manufacturers have no fixed credit system, their terms varying from three to six months' net credit or 2 to 3 per cent. discount for cash.

and which are further regulated according to the amount of competition to be overcome. Efforts have been on foot to improve on this system by adopting the French one, namely, to extend credit for ninety days only; but the inequality in the competition in Germany has been the great drawback in accomplishing this end. At least, there is an earnest desire among the manufacturing classes to see some sort of a regular credit system inaugurated which they could follow with more mutual benefit. The general depression in business in Germany during the past ten years and the sharp competition that has prevailed have been principal causes operating against such improvement. Some of the boards of trade are strongly recommending the introduction of the American and English check system into Germany.

CREDIT EXTENDED BY RETAIL DEALERS.

Here the custom varies very greatly. With those customers who are supposed to be financially good a net credit is given for six months or a year and no discount for cash payments. There are many people, though, who prefer to pay, and do pay, their accounts at the end of every month. The board of trade in this city seems to see an evil in this long credit, and it has recommended tradesmen to render their bills quarterly for collection. There is no interest demanded on time accounts unless they run over the specified time for payment, when, by some, a percentage is reckoned.*

This now brings me to one of the leading questions proposed by the Board of Trade of Scranton, Pa., through the Department, and which I put to a very large business-experienced gentleman acquaintance of mine, namely:

“Does credit stimulate trade?”

His reply was: “Das Creditgeben in Deutschland ist eine absolute Nothwendigkeit; ohne Credit, kein Geschäft”—Credit in Germany is an absolute necessity; without credit, no business.

ADVANTAGES OFFERED TO CASH BUYERS.

When ready money is in demand cash buyers have, in many instances, the advantage of procuring still larger discounts than those above enumerated, or else the prices on the articles are lowered to correspond to the same. It is, too, the custom with many firms that are in a condition to buy on cash to take advantage of the credit thus offered, or to put such a pressure on the prices as to be benefited by it.

CREDIT EXTENDED TO MECHANICS AND LABORERS.

Tradesmen extend credit to mechanics and laborers very readily for periods intervening between one payment of their wages by their employers to the other, which is generally weekly and sometimes bi-monthly in Germany. The workmen complain, though, bitterly for being compelled to buy on credit. They say they thereby run a greater risk of being taken advantage of than if they had always the means to buy only for cash. For example, I give below, as furnished to me by a re-

* Which is one-half per cent. per month.

liable person, a statement of certain articles of food, showing the difference in prices between cash and credit :

Articles.	For cash.	For credit.	Difference.
	<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>
Meat..... per pound.....	*0.80	*0.70	*0.10
Potatoes..... do.....	0.08	0.07	0.01
Peas..... do.....	0.15	0.18	0.03
Meal..... do.....	0.20	0.25	0.05
Lard..... do.....	0.65	0.75	0.10
Butter..... do.....	1.30	1.50	0.20
Coffee..... do.....	1.20	1.50	0.30
Sauerkraut..... do.....	0.16	0.20	0.04
Total.....	4.32	5.15	0.83

*100 pfennigs equal to 1 mark, or \$0.238.

It will be seen by these figures that the difference in price of the above total amount in favor of those laborers who are prepared to buy for cash is 0.83 mark, and if reckoned on 100 marks there would be a saving of 19 marks, or 19 per cent.

As I have before me similar estimates as those above given, published by Schraut, showing the difference in the prices of articles of food in the industrial districts of Upper Silesia when purchased on the cash and credit system, I will, in the way of comparison, produce them here:

Articles.	For cash.	For credit.	Difference.
	<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>
Bread..... per piece.....	0.45	0.50	0.05
Meal..... per pound.....	0.18	0.20	0.02
Sugar..... do.....	0.40	0.42	0.02
Coffee..... do.....	1.60	1.80	0.20
Petroleum..... do.....	0.19	0.20	0.01
Plums..... do.....	0.25	0.30	0.05
Potatoes..... per cwt.....	2.75	3.00	0.25
Total.....	5.82	6.42	0.60

This makes a difference of 0.60 mark on the amount of 5.82 marks.

It would appear from these figures that the common laboring classes are, after all, the real sufferers from the evils of credit. In order to show this more clearly, let us take for example the amount of the average weekly wages earned (say 16.50 marks) by an ordinary factory laborer and subtract from it the difference for credit, as shown by the above estimates, and you will find there will be a loss to him of 1.70 marks, or about 10 per cent. It may be well to state that the only article of food here under anything like official control in the sale of it is bread. The regulation consists in officially requiring all bread dealers to keep hung in conspicuous places in their shops a certificate, issued under the signature of the baker and the official seal of the police administration, giving the price to be charged for so many pounds of bread during the time therein specified, which is generally made out at intervals of every seven days. The form of certificate is as follows:

Bread-price.

	M.	P.
Four kilograms of bread cost from — to —		
Düsseldorf.....		

[SEAL.]

Baker.

CREDITS OF RECORD.

Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

The common custom here to give mortgage on real estate prevails generally and almost exclusively among the middle business classes. The interest accruing on such mortgages averages 5 per cent. Any investment made on real estate in this way is considered to be first class: (1) On ground property when the security is at least one-third above the value of the mortgage; (2) on house property when the security is at least double the value of the mortgage. To give an idea of the extent of this kind of credit business here, I think I can safely risk the assertion that fully three-fourths of the houses in Dusseldorf, a city of one hundred thousand inhabitants, are covered by mortgages.

When a person in business has once failed or has been discredited can he resume, and what are the obstacles to such resumption?

When a person has once failed in business there are two alternatives to be accepted by him as methods by which a settlement can be concluded: (1) By concordance. If the agreement between the insolvent and the creditors is alike satisfactory, then there would be no obstacles in the way of the former's resuming business as before. (2) By "concourse law" (*Concursgesetz*). A trader who has once failed may resume business on the second day after the notification of the court announcing the closure of the proceedings, based upon the new law of concourse.

The "law of concourse" is dated 10th of February, 1877, and it is a modification of the French commercial law which refers to bankruptcy.

The French law, *Code de Commerce* (September 10, 1807), civil as well as commercial, is still upheld in the Rhenish province in all its most essential parts, and has only been departed from by recent minor alterations, the most important being "agreement by compulsion," or "obligatory agreement," and which relates to the foregoing question. This "obligatory agreement" (*Zwangsvergleich*) can be proposed by the insolvent by his offering certain rates to the creditors, fully three-fourths of whose claims must be represented before an agreement is made. If the agreement is confirmed by the "concourse court" (*Concursgericht*) the insolvent is then made free from all further obligations to his creditors. He can, after he has fulfilled any other duties required by the court of concourse, resume business without being disturbed. If, on the other hand, no agreement has been arranged, it would not necessarily restrict the insolvent from again beginning business, but he would be liable at any time to be crowded upon by the creditors, who would make it quite impossible for him to continue. It is not infrequent, when the latter occurs, that the insolvent starts a new business in the name of his wife.

The moral sense and tendency of the "concourse law" in its principal features is, first, to reinstate the insolvent as soon as possible if misfortune, unforeseen circumstances, or sudden losses have unavoidably overtaken him; secondly, to deal severely with him if frivolous neglect, wild speculations, prolonged tricks, or waste have brought on his failure.

BANKRUPTCY.

Is bankruptcy frequent?

The number of failures in this district is very small in proportion to the population.

To what extent do relief acts in bankruptcy prevail?

During the year 1881 there were in Germany 4,828 concourse cases published. Of this number there were, up to the beginning of November, 1882, 1,539 settled; 616 by "obligatory agreement," 563 by final decision, and 30 in various other ways.

Are fortunes readily made and lost?

Fortunes are neither readily made nor readily lost. Those who are blessed with fortunes seem to be alike blessed in the art of knowing how to hold on to them. The experiment made in Germany in the year 1873, when the whole country was wild over speculation to accumulate fortunes rapidly, taught many a well-off person, to their sad discontent, that it had been an unprofitable undertaking.

GENERAL EFFECTS OF CREDIT.

What are the general effects of credit?

Although credit, as was above shown, affects materially the interests of the laboring classes, it unquestionably develops, in every sense of the word, trade. It is the impression here, though, that a large portion of the salaried population is made also to feel the effects of credit in consequence of the usual practice among all small tradesmen, such as tailors, shoemakers, &c., of not presenting their bills before six months or a year after the date of the sale. The result is that at the end of these periods there is generally a hard strain upon these people to meet their payments. Hence, as I have already stated, there is an anxious desire with the board of trade to see this long credit limited to ninety days.

Being a little curious to know why such long credit was preferred, I once asked my tailor for an explanation, and he seemed to have an idea that it would not be considered honorable if he did not give credit. In other words, they think it an insult to their customers to send in their bills immediately, unless they have been specially requested to do so, and then they will very frequently write on them, "By direction."

WM. D. WAMER,

Consular Agent.

UNITED STATES COMMERCIAL AGENCY,
Dusseldorf, July 23, 1883.

FRANKFORT-ON-THE-MAIN.

REPORT BY CONSUL-GENERAL VOGELER.

I have the honor to subjoin my answers to the questions submitted by the Department of State concerning the credit system of the several countries, showing the nature and effect of such system in Germany.

1. Does credit stimulate trade?

The Department very properly cautions consular officers against abstruseness and speculation in answering the several questions propounded, and yet I find it very difficult to answer a question of such general import and vast scope by a mere statement of specific facts, showing or tending to show that credit does or does not stimulate trade. My answer to this question can, therefore, hardly be anything else than a conclusion drawn from an observation of numerous specific facts, and this conclusion is, that in this community and country a large proportion of the smaller mercantile and industrial establishments, carried on in a large measure by young and industrious men with limited means,

could not maintain themselves for one month without the credit extended to them by those from whom they buy, and by their local capitalists and bankers. These young men extend the trade of Germany and carry it into countries where formerly German products and manufactures were unknown. It is quite customary in this country for merchants and manufacturers who have attained a certain age and with it a competency or more than a competency, to retire from business, thus making room for the more enterprising young men. It is true that frequently these retired merchants leave a part of their fortune in the business, from the active prosecution of which they retire; more frequently, however, they withdraw all their funds and invest them in other ways. One of these is to combine with a number of persons similarly situated and to establish so-called credit or loan associations. These associations, composed of the older and wealthier members of the community, exist in almost every town and city of the German Empire. They raise a certain fund to be loaned out to merchants in good standing, at a rate of interest seldom exceeding 5 per cent., the applicant for a loan being required in each case to make an exact statement of his financial condition, and being thereupon allowed by the association a loan of a specific amount of money without security, and in many cases a further amount against good indorsement. These loans are usually made for six months or a year, and may be continued so long as the borrower maintains his financial standing and good repute. This arrangement enables quite a class of merchants and manufacturers to carry on and increase their business, and thus to add to the general prosperity of the community, while it gives to the capitalist a reasonably safe investment and tends to keep alive his interest in the mercantile success and progress of his city. These institutions, in the smaller cities especially, are under very light expenses, as they employ no salaried clerks, but at most a secretary, who is at the office a few stated hours of the day. They do no banking business, but are simply, what their name implies, loan associations.

In some of the provinces of Prussia, notably in the poorer ones, viz, East and West Prussia, Pomerania, Westphalia, Silesia, &c., the state has established provincial aid treasuries (*Provincial Hilfskassen*), from which money can be obtained, on easy terms of gradual repayment, for the establishment of public institutions, the payment of municipal debts, the improvement of unproductive lands, the establishment of industrial works, &c. These institutions, established by the state, have, by the law of July 8, 1875, been ceded to the respective provinces. All pawnshops in Prussia are under strict police control, and, in addition thereto, there are in all cities and towns of the Kingdom municipal pawn establishments, which advance money to citizens upon proper articles deposited as pledges.

2. Are people averse to contracting debts?

They are not; but, as a general thing, they are very careful not to obtain credit on false or colored statements of their financial condition, because the laws of Germany, in such cases made and provided, although not more severe than those of other countries, are relentlessly swift, uniform, and certain of execution.

3. Are there any sumptuary laws or regulations concerning credit?

I am not sure that I rightly comprehend the meaning of the words "sumptuary laws concerning credit," but if the question means whether the giving and obtaining of credit is limited to certain classes of people, or to certain periods of time, or to certain articles of commerce, or is dependent upon certain financial conditions or social relations of the

lender or borrower, then I answer that there are no such laws, but that the right of borrowing and lending is unlimited, except by such laws as public policy dictates. These are:

a. The loaning of money on excessive interest, which is punished by a refusal of the courts to enforce the payment of the claim and by criminal prosecution. The question whether there is usury in a claim is one for the court to decide in each case, there being no legal rate of interest in the Kingdom of Prussia. The rule of law is that any rate of interest exceeding the usual one, obtained by taking advantage of the distress, inexperience, or recklessness of the borrower, is usury.

b. Inducing minors to contract unnecessary debts is punishable by fine and imprisonment.

c. Wages not yet earned cannot be subjected to the payment of debts, nor can articles of clothing, furniture, and food, necessary to the maintenance of the debtor, be sold on execution. Imprisonment for debt was abolished in Prussia by the law of May 29, 1868. These laws undoubtedly have a tendency to limit money-lending and credit-giving and to confine them within proper spheres.

4. To what extent does credit prevail in proportion to the volume of business?

Every honorable and capable business man can buy goods on credit, and the vast majority of them do. I learn that heretofore the time usually given on purchases in the wholesale trade was six months, but that it has been deemed expedient to reduce the time, so that four months may now be considered the usual time for which credit is given. Among the small traders and mechanics of this city, collections are invariably made at the time of the commencement of the fair (*Messe*), viz, early in March and September. These fairs were formerly very important and attracted a great number of purchasers from all parts of Germany, but their importance has materially diminished since the era of railroad locomotion and telegraphic communication. So tenacious, however, are many of the trades-people of this city of the old custom of collecting only twice a year, viz, at the commencement of the respective fairs, that one who is desirous of liquidating small debts more promptly is frequently put to the trouble of demanding his bill several times. The proportion of credit business done in this district as compared with the total volume of business cannot be given with any approach to accuracy, but I am informed that not less than four-fifths of all wholesale transactions are time transactions, and that credit prevails to a great extent also in retail sales. The branches of trade which rest upon the cash basis are those of the small grocer, the butcher, the baker, and the restaurant and saloon keeper.

5. To what extent do losses incidental to business prevail?

The business of this district rests upon a very firm and solid basis. Until the year 1866 Frankfort was a free city, having her own government and making her own laws. Being the center of a rich and prosperous district, the city soon became powerful and rich. Her people were intelligent and liberal, and the public affairs of the city were intrusted to the most competent hands. Thus taxes were kept at a very low rate, and therefore to be a citizen of Frankfort became an object to be desired. Failures in the city of Frankfort, therefore, were during these years of very rare occurrence, and the losses incidental to business very small. With regard to outside trade, great care was always exercised by her merchants and manufacturers. This spirit of conservatism and caution pervades the entire mercantile community of Germany, and has never been obliterated except during the two or three years of inflation and

speculation which followed the Franco-German war. In 1873 and 1874 the reaction came, and bankruptcies were very frequent and great fortunes lost as quickly as during the preceding two years they had been made. Since that time trade has returned into its proper and legitimate channels, and losses in business are very small and of rare occurrence.

6. Do tradesmen extend credit to mechanics and laborers readily?

Laborers and mechanics are paid by the week, and while they have work seldom require credit; when out of work it is very difficult for them to obtain credit. They have, however, formed numerous mutual-aid societies, whose object is to assist those who, by reason of sickness or inability to obtain work, require support and assistance. There exist also throughout Germany so-called *Consum-Vereine*—that is to say, organizations of workmen and mechanics which buy the necessaries of life directly from the producer and manufacturer and furnish the same to their members at first cost. These organizations owe their existence to the well-known political economist, Schulze-Delitsch, recently deceased, who devoted the greater part of a long and busy life to the task of teaching workmen the science of self-protection through proper and lawful organization.

7. What advantage have cash buyers?

Merchants can discount invoices bought on four months' time at 2 to 2½ per cent., which is at the rate of 6 to 7½ per cent. per year. The usual rate of interest in Germany on loans of money is 4½ per cent. The leading retail establishments of Frankfort, especially those dealing in fine and expensive articles, as silks, dry goods, furs, jewelry, carpets, furniture, &c., allow 5 per cent. for cash, some even, by way of extra inducement, going as high as 7 per cent. This practice of allowing a cash discount on retail purchases has become quite extensive. The advertisements of these merchants usually refer to the fact that this cash discount will be allowed.

8. Is interest demanded on time accounts?

It is; but accounts are seldom permitted to become overdue, for to do so is considered an indication of financial weakness, and leads to a denial of further credit. When an account is settled by note and the note goes to protest, unless a sufficient explanation be given, it destroys the credit and standing of the debtor. All protests are published in the financial journals. The notarial act of protesting a note takes the place of what I may term a "judgment nisi," and unless, indeed, there be fraud or other vitiating elements in the note itself, the court will, upon application, render final judgment and issue execution thereon within three days after the filing of the complaint. Notice of the filing of the complaint issues to the debtor immediately, and only where a complete *prima facie* defense is made out is he allowed to file a written answer and to try the issue thus made up.

9. With what classes are the evils of credit most conspicuous?

I have been unable to convince myself that there are any perceptible evils with credit-giving in this country, other than those to which an extensive credit will lead impulsive and ardent merchants everywhere, viz, overstocking, overproduction, and speculation.

10. What kind of produce or manufactured articles command cash returns?

Grain, cattle, lard, pork, petroleum, and other heavy staples, command cash returns among the large dealers and jobbers.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

It is quite customary for men of wealth to owe money on mortgages on their real estate, and to keep the same incumbered, although they

are in many cases amply able to pay off the incumbrance. This is done to escape legitimate and proper taxation. The most onerous tax in Prussia is the income tax. This tax is most distasteful to those who follow no business or pursuit, but live on their income. The system of self-assessment prevails in Prussia. The Government, however, may cite the tax-payer to appear and show cause why he should not be rated higher in the income-tax list. To make his return plausible he has kept that mortgage on his dwelling-house or farm, and now points to it with pride, but yet with assurance. True, he has bonds in his safe, and railroad shares, and his income amounts to three or four times the amount by him returned, but who can prove it? Thus the very capital which ought to bear the heaviest burdens of taxation succeeds in withdrawing itself from taxation altogether. But in legitimate transactions also mortgages are quite common in this country. It is very rare that houses and farms are sold on which there are no incumbrances, and these incumbrances are usually assumed by the purchaser and continued on the property. The rate of interest on such incumbrances varies from 4 to 5 per cent., but the almost universal rate is now $4\frac{1}{2}$ per cent. Such credits of record are most prevalent among the wealthier classes, because capital seeks safe men and large objects of security.

12. When a person in business has once failed or has been discredited, can he resume, and what are the obstacles to such resumption?

A person who has failed in business, and has obtained a discharge from his creditors, either by private composition and compromise, or by operation of law, and who has in all his transactions maintained his mercantile honor, will have little or no difficulty in resuming again, but if there be any suspicion of fraud in his failure, or any taint in his character, or if an examination show that his failure was the result of incapacity, indolence, negligence, or extravagance, the cautious conservatism of German merchants, bankers, and capitalists would make it very difficult for him to start again.

13. Is bankruptcy frequent?

No; it is but very rarely that the failure of a large firm is announced. During my stay in Frankfort, of two years, I have heard of the failure of but two firms, and they seem to be about to resume business, having obtained a release from their creditors. Among speculators at the bourse failures, of course, are more frequent, but these can hardly be classed with the actual business failures.

14. To what extent do relief acts in bankruptcy prevail?

The bankrupt law of the German Empire, passed February 10, 1877, resembles in its provisions very much the United States bankrupt law of 1867, as supplemented and amended, and lately repealed. It provides for voluntary and compulsory proceedings in bankruptcy, as well as for voluntary and compulsory settlements. An assignee (*Concurs-Verwalter*), not elected by the creditors, but appointed by the court, takes charge of the bankrupt's estate. All control by the bankrupt ceases. At the same time the adjudication in bankruptcy works a number of other disabilities in the bankrupt. He loses the right to vote for members of the Reichstag; he is ineligible to the position of associate judge (*Schöffe*), juror, licensed broker, member of the board of trade, guardian, &c. Only his final discharge removes these disabilities. The acts of the bankrupt, preceding his bankruptcy, are closely scrutinized to detect fraudulent or unlawful preferences. The regular method is, to convert the assets into money, to pay the preferred or secured claims, and to divide the remainder equally among the creditors. Such regular proceeding works no discharge of the debtor from that portion of

his debts which is not paid out of his assets. He may, however, by a decree of court, be entirely discharged from all his debts, if he can obtain the consent thereto of one-half of his creditors in number and three-fourths in amount. A fraudulent bankrupt cannot avail himself of this privilege. The law punishes not only persons who go into bankruptcy with a fraudulent intent, but also such whose bankruptcy is brought about by negligence or extravagance (simple bankruptcy), as well as those who in any way have attempted to curtail the rights of their creditors. Such portion of a married bankrupt's property as was acquired by the personal efforts of his wife forms no part of the estate in bankruptcy, but is set aside to her. She must, however, show affirmatively that such earnings were not the result of the use of her husband's means.

15. Are fortunes readily made and lost ?

A great many persons now living in this city and personally known to me, well to do, if not rich, are enjoying the results of their confidence in the resolution and ability of the Government of the United States to suppress the rebellion and to pay its bonds. Many millions of the 5-20 bonds were bought in this market below 50 cents on the dollar. Hundreds of thousands were bought as low as 40 per cent. On these investments the purchaser more than doubled his principal, and for years drew 12 to 15 per cent. interest. It is easy to see that an investment of, say, \$25,000 in this class of security at 40 per cent., carried until the bonds were redeemed, must have increased to about \$100,000. During all this time the Frankfort bondholder had nothing to do but to hope and pray that the rebellion and the wild schemes of inflation might be suppressed by the strength and honor of the American people. These men have not had so good a chance since. They are ready to invest and to hope and pray again in a similar case. During the period of extravagance and wild speculation which followed the Franco-German war many fortunes were quickly made and about as many subsequently as quickly lost; but since that time the German people have returned to their former habits of industry and frugality, and are satisfied to proceed slowly, steadily, and safely in the acquisition of wealth. It occurs now and then in these times of scientific inventions that a combination of science and mercantile capacity produces establishments and firms of immense strength and prosperity, but these instances are the great exception and not the rule. In answering this question again, as in my answer to question 13, I take no account of the fortunes won or lost by speculators at the bourse.

16. What are the general effects of credit ?

The general effects of credit observable in this country are beneficent beyond all question or cavil. It enables the industrious, capable, and enterprising man of limited means to do a business commensurate with his ability; it increases competition and thus reduces prices, and adds to the comfort and prosperity of the people at large. I confess that I have been unable in this country to discover any detrimental effects of credit.

FERDINAND VOGELER,
Consul-General.

CONSULATE OF THE UNITED STATES,
Frankfort-on-the-Main, August 25, 1883.

HAMBURG.

REPORT BY CONSUL BAILEY.

In the matter of the circular from the Department of State, dated May 15, 1883, in reference to the reports on the systems of credits which prevail in the various countries, I have the honor to state that from the best information I can obtain from several of the leading mercantile houses of Hamburg I have collated the several answers to the interrogatories contained in the said circular, as follows:

1. Does credit stimulate trade?

Yes.

2. Are people averse to contracting debts?

Good houses prefer paying cash to contracting debts.

3. Are there any sumptuary laws or regulations concerning credits?

There are no sumptuary laws or regulations concerning credits. If nothing is said in a business transaction, cash is meant; if the buyer desires credit, it must be stipulated at the time of purchase.

4. To what extent does credit prevail in proportion to the volume of business?

This cannot be accurately ascertained, as there are no statistics in reference thereto, and merchants are accustomed to keep more or less secret their transactions as to credit.

5. To what extent do losses incidental to business prevail?

No statistics or reliable information can be obtained.

6. Do tradesmen extend credit to mechanics and laborers readily?

Merchants and tradesmen extend credit to each other, and to persons known to be in fair circumstances, for six months and a year; and credit is given to laborers and mechanics for a week and a month.

7. What advantages have cash buyers?

In wholesale business the condition is generally cash, less 1 per cent. discount, and if credit is given, purchaser gives his three months' acceptance without discount. Some articles command $2\frac{1}{2}$ per cent. discount for cash, or if credit is extended, six months' acceptance. For dry goods the buyer generally claims credit, but the terms are of great variance.

8. Is interest demanded on time accounts?

It is not customary.

9. With what classes are the evils of credit most conspicuous?

Mechanics and artisans and small tradesmen.

10. What kind of produce or manufactured articles command cash returns?

As a rule, all kinds of produce, but no manufactured articles.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Nearly all real estate here is freehold, and mortgages on same under a very good law is the general rule; otherwise credits of record are very exceptional.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

When a person has once failed, and no blame is attached to his character, his trustees are usually easy in giving him liberty to resume business, but he cannot resume unless his estate be settled or his trustees give him permission.

13. Is bankruptcy frequent?

No; it is not frequent when the volume of trade is taken into consideration.

14. To what extent do relief acts in bankruptcy prevail?

I know of no relief acts prevailing in bankruptcy.

15. Are fortunes readily made and lost?

About the same here as in all large trade centers.

16. What are the general effects of credit?

A wise and judicious system of credit with respectable houses, doing a regular and legitimate commercial business, always stimulates trade, but generally, with retail dealers and tradesmen, credit is hurtful and frequently leads to pernicious results.

J. M. BAILEY,
Consul.

UNITED STATES CONSULATE,
Hamburg, July 25, 1883.

SILESIA.

REPORT BY CONSUL DITHMAR, OF Breslau.

The conflicting and sometimes sharply contradictory statements made by persons engaged in various pursuits whom I questioned on the subject soon after receipt of Department circular of May 15, 1883, calling for a report on the system of credits in vogue in this district, convinced me that some representative commercial body alone would be competent to furnish the information desired, so that it would be trustworthy and in a measure authentic. The interrogatories contained in the circular were, therefore, submitted to the Breslau Chamber of Commerce, and that body has favored me with the following answers:

1. Does credit stimulate trade?

This question, so general in its scope, we can only answer if it is worded thus: Do institutions of credit (in this district) stimulate trade?

The most important credit institution for the promotion of trade in this district is the German Imperial Bank, formerly the Prussian State Bank, which has a main branch in Breslau (*Reichsbank-Hauptstelle*). In addition to this public banking institution three private banks and a municipal bank offer their services to the business public. In our annual report for 1882, pp. 245-250, a review of the business of these five banks is given.* The small tradesman and mechanic are accommodated in their business operations by the Loan Association (*Vorschuss-Verein*), on the system of Schulze-Delitsch, concerning the transactions of which our annual report likewise gives some information.†

2. Are people averse to contracting debts?

A disinclination to accept credit, if it can be had, does not exist in Breslau, nor in all Silesia. Among certain classes, indeed, the reverse is the case. (See, also, answer to interrogatory 9.)

3. Are there any sumptuary laws or regulations concerning credit?

Sumptuary laws once existed in Prussia, but they have long ago been repealed. Rates of interest are not prescribed either by the Empire or

* Aggregate of loans and discounts for 1882:

Branch of Imperial Bank	\$334,869,760
City (municipal) Bank	28,122,821
Silesian Banking Association	63,070,000
Breslau Exchange Bank	169,209,264
Breslau Discount Bank	135,898,000

† Number of members, 1882, 3,621; loans and "prolongations," \$4,934,214; rate of interest, 5 to 8 per cent.

by the individual states. There are, however, enactments for the punishment of usury. According to the law of May 12, 1880, the penalty for usury is imprisonment for a maximum period of six months; also, a fine amounting to not more than three thousand marks, accompanied in some cases by a loss of civil rights. [It appears from an appended abstract of the law upon the subject, that whoever takes advantage of the necessities, the improvidence, or the inexperience of another to obtain unusual terms for a loan, or a rate of interest higher than that prevailing, either for himself or for a third person, is liable to the above penalties. Whoever practices usury as a business is liable to imprisonment for not less than three months, and a fine of 150 to 15,000 marks. For some other usurious practices the penalty is imprisonment for not more than one year and a fine of 6,000 marks."]

4. To what extent does credit prevail in proportion to the value of business?

We have not sufficient data to enable us to answer this question properly. It is our belief that the majority of purchases are made for cash.

5. To what extent do losses incidental to business prevail?

This question we are also unable to answer.

6. Do tradesmen extend credit to mechanics and laborers readily?

Among the dealers in groceries and provisions it was formerly the practice to give mechanics and laborers credit for a week, a month, and sometimes for longer periods. This has all been changed since the establishment of the *Consum-Verein* (co-operative association, limited, system of Schulze-Delitsch), which sells good family supplies for cash only, and gives its customers, with each purchase, a ticket bearing a number similar to the amount of the purchase, the tickets at the end of the year entitling the holders to a dividend. Goods are sold only to members of the association. Many individual firms have been compelled by the competition of the *Consum-Verein* to adopt the system of cash payments and tickets.

7. What advantages have cash buyers?

Many merchants, manufacturers, and master mechanics allow a discount for cash. This discount is usually equal to the prevailing rate of interest, but is also sometimes greater. As a rule the cash purchaser buys cheaper than the purchaser on time.

8. Is interest demanded on time accounts?

It is not usual to demand interest on time purchases, the difference being usually included in the price. Interest is demanded only when the time for payment has been extended, or when the seller is obliged to take legal steps to obtain the amount due him. In the latter case he demands interest from the day suit was brought.

9. With what classes are the evils of credit most conspicuous?

Firstly, among a certain class of those who give credit. Our tailors, shoemakers, dealers in underclothing, &c., can seldom be induced to send the bill with the goods or soon thereafter. Pernicious as this custom is, it is of some years' standing, growing out of the notion that more respect is shown to the better class of customers if their account is sent in only once a year. It is not deemed necessary here to point out the many evils resulting from such a system.

Secondly, it is to be regretted that our workingmen and certain mechanics are still in the habit of demanding extended credit for articles of consumption (see answer to No. 6). On the other hand, many mechanics are too willing to give credit.

10. What kind of produce or manufactured articles command cash returns?

For cash only, often by advance payment, all agricultural products are bought here, such as rape-seed oil, grain, live stock, seeds, wool, alcohol, raw sugar; likewise metals. Sales of textiles are generally made on several months' credit.

11. Are credits of record (mortgages, judgments &c.), prevalent; and if so, among what classes?

The form credit takes in most commercial transactions is that of checks, bills of exchange, or some other acknowledgment of indebtedness which would be sufficient evidence in a court of justice.

Loans on merchandise are made only in limited amounts by the Imperial as well as the other banks.

In special and severe money crises—in time of war or great destitution—loan offices have also been established by the Prussian Government, which issued treasury notes guaranteed by the state to depositors of merchandise.

"Writs of execution" and "judgments," introduced by our new civil process, are as yet comparatively unknown in this commercial community.

12. When a person in business has once failed, or been discredited, can he resume, and what are the obstacles to such resumption?

In general, a merchant who has had the misfortune to fail will find, after liquidation, but few obstacles in the way of regaining his former standing if he desires to resume business.

13. Is bankruptcy frequent?

A precise answer to this question we are unable to give. The number of registered mercantile firms in Breslau in 1882 was 2,782. In the same year thirty-three bankruptcy cases occurred.

14. To what extent do relief acts in bankruptcy prevail?

As a rule always, if the assets are sufficient to cover the costs of the proceeding; for in such case only does the judge appoint a receiver.

15. Are fortunes readily made and lost?

In mining operations, &c., and through stock speculations, large fortunes are readily made and as readily lost. Capital, however, augments among us, in safe commercial and industrial enterprises, slowly but surely.

16. What are the general effects of credit?

A theoretical question, the answer to which can only be based upon opinion. In a general way it can be said that the credit regulations of this district are far-reaching and well ordered, especially since the introduction of the check system by the Imperial Bank, a system not yet in so general vogue here as, for instance, in England, but still already very useful, particularly in making transfers.

The foregoing answers to the interrogatories, mangre one or two instances of seeming misapprehension, are sufficiently explicit and comprehensive. I have only to add that although the agriculturists as a rule sell the greater part of their products for cash only, they frequently buy on long time. Thus, agricultural machines, on which the seller is willing to allow a discount of 5 per cent. and more for cash, many farmers prefer to buy on time payments, seldom paying the last installment before the expiration of eighteen months or two years.

Mortgages on houses and lands form a not immaterial part of the investment securities held in this district. One of the largest corporate institutions in the province is the *Schlesische Landschaft*, having its principal office in Breslau, which deals only in "land credits," lending

money on real estate and buying and selling mortgages. A "mortgage bank" is connected with this institution. A four-page sheet, issued to-day, calls upon the holders of about two thousand Silesian mortgages to present them before the close of the year for payment. Some of the mortgages therein enumerated are for sums not exceeding 60 marks (20 thalers), and none are for more than 1,000 marks. In addition to the *Landschaft* there is in this city a "Silesian Real Estate Stock Bank," with a capital of \$1,785,000, and ten similar institutions located in other German cities have agencies here. Mortgages guaranteed by some of these banks are among the securities regularly bought and sold at the exchange. Among the quotations I find in to-day's local newspapers are: "Silesia real estate mortgages, 4 per cents., 99.60; 4½ per cents., 107.70; 5 per cents., 103.30." I have been told, and have no reason to doubt the statement, that at least seven-eighths of all the farms, large and small, and buildings within the province are mortgaged to a greater or less extent; not a few of the buildings in this city are incumbered with no less than four mortgages. One cause of this state of things is said to be that property covered by mortgage sells more readily than when the buyer must pay the entire valuation; another, the desire to cast off some of the burden of taxation.

HENRY DITHMAR,
Consul.

UNITED STATES CONSULATE,
Breslau, July 28, 1883.

STETTIN.

REPORT BY VICE-CONSUL DITTMER.

In the absence of the consul, I beg to submit to the Department the following report on "credit," in pursuance of the circular dated May 15, 1883.

As far as I have had the opportunity to observe, most transactions, wholesale and retail, are based on granting and taking credit, and payments are generally made against three months' bills, the payment of which is regulated by very strict and proper laws.

Only a few articles, for instance, all agricultural produce, sell against ready money without discount, while sellers readily allow from 1 to 4 per cent. discount for cash payments on other articles.

To what extent credit is made use of in proportion to the volume of business depends largely upon the solidity of the firms in question. The more solidly they are situated, the less credit they generally take, and, *vice versa*, the smaller their funds are, the more they are obliged to look for credit in order to be able to enlarge the extent of their business.

Credit is granted by the merchants to all tradesmen and mechanics for the raw materials they require, for a pretty long time, sometimes even to the beginning of the year following, without any interest. However, in these cases it may be taken for granted that such interest is already included in the price the tradesman or mechanic has to pay.

The evils of granting credit are most conspicuous in the case of merchants dealing in goods that are liable to perish or the prices of which are subject to frequent fluctuations—for instance, with grocers, among

whom, therefore, proportionately most failures take place, while this is not the general rule, and particularly not with the wholesale dealers.

By virtue of a law recently passed, most bankruptcies are wound up by arrangement, especially when the assets offer but a small dividend, and the bankrupt, as it very often happens, assisted by friends and relatives, offers his creditors a higher rate, say from 5 to 10 per cent. more than the sale of his goods would realize.

All persons having passed the bankruptcy court can resume business without let or hindrance.

In the general way of business no credits of record are prevalent, but bankers are in the habit of granting credit against the deposit of good mortgages.

The proposition as to whether fortunes are easily made and lost, I must, as far as Stettin is concerned, decide in the negative, for but little business is done in so-called speculative articles, merchants here having become very cautious since the heavy losses sustained in consequence of the failure of the Ritterschafts Bank, which took place about six years ago.

Finally, I am of opinion that the general results of granting credit are not very favorable. If, according to a general mercantile custom, all transactions were settled by ready money payment, a far more solid basis would be acquired for them, the funds invested would return much quicker, and the merchants be thereby enabled to increase the number of their transactions in a legitimate manner. However, I do not suppose that in the near future any change of the ideas and customs prevailing at present at this port will take place.

JULIUS DITTMER,
Vice-Consul.

UNITED STATES CONSULATE,
Stettin, July 30, 1883.

THURINGIA.

REPORT BY CONSUL MOSHER, OF SONNEBERG.

It will aid in the consideration of the subject if we glance briefly at the local conditions under which it is to be tried.

This consular district embraces the Duchies of Saxe-Weimar, Saxe-Altenburg, Saxe-Coburg-Gotha, and Saxe-Meiningen, and the Principalities of Schwarzburg-Rudolstadt, Reuss, and Prussian Thuringia, covering about 7,500 square miles, with a population of about 1,135,200.

The majority of the inhabitants are poor, finding occupation of various kinds at from \$1.75 to \$3.75 a week. The average pay for farm labor, which is performed chiefly by women, is about \$1.85 a week, and for indoor labor, which I think occupies the majority of the industrial population, it is about \$2 a week. From this sum the individual or the family must be housed, warmed, clothed, and fed. Their principal articles of food consist of black bread and potatoes, bitter beer, and poor coffee—the beer and bread being most liberally consumed.

The land abounds in fine groves of beech and maple, with immense tracts of spruce and fir—the real *Thüringer Wald*. Agriculture receives but indifferent attention, although potatoes, rye for bread, barley and hops for beer, and oats and hay for horses and cattle, are grown quite

generally. The farming implements are of a rude kind, and generally of domestic manufacture.

In the midst of this population are the manufacturers of china goods, glassware, fancy earthenware, and slates and slate-pencils, the material for all of which exists abundantly in the soil; dolls and other toys, to which the clear and fine-grained wood of the forests contributes needed material; musical instruments, guns, baskets, kid gloves, hosiery, papier-maché goods, liquors, smokers' articles, &c., to the value of about \$6,000,000 annually. The annual export of these goods to the United States is over \$2,000,000. Among these manufacturers are many clear-headed and successful business men, who have had abundant experience with the credit system, but who are not always willing, naturally enough, to reveal that experience to inquiring foreigners.

Remembering that the poor majority of these people would presumably take all the credit they could get, and that the merchants and manufacturers would presumably grant as little as would be consistent with the necessary demands of trade, the following questions are to be considered:

1. Does credit stimulate trade?

It is believed that it does. It enables many persons without ready money to begin business, who in time become prosperous merchants.

Many persons who could easily pay cash would do less business if they could not purchase goods on time and pay for them out of the proceeds of the goods themselves.

The industrial classes, from the mechanic, who must often wait from a week to a month for his pay, to the farmer, who must often wait until his crops are harvested before he has cash in hand, all contribute meanwhile to the activity of trade by means of the credit system.

Many merchants keep goods of a perishable nature. They reason that it is better to dispose of them on credit when credit is asked than to keep them to deteriorate on their hands. Even if the creditors fail to get their pay in the end, that is no worse than it would have been if the goods had spoiled on the shelves.

In all such cases it is believed that credit stimulates and even increases the volume of trade.

Particularly in a district like this, where not only so many different kinds of business are carried on, but where so many different people engage in the same business, competition becomes almost fierce, and it extends even to credits. Since quite a good many buyers come who demand credit and would not buy without it, it is clearly the credit system, and not wholly competition, that in their case has stimulated trade. It should be observed that the newer and weaker houses grant credit most freely, while the older and stronger houses are more adverse to it.

2. Are people averse to contracting debts?

On the whole, they are. There is here, as everywhere else, a class of people to whom the fact of their indebtedness is not a burden nor a source of great anxiety. But that class is comparatively small. The Germans, as a people, are cautious, economical, and thrifty. They like to know how they stand with the world. Their tendency to materialism leads them to regard cash in hand, even if it be small in value and involve the extremity of self-denial and hardship, as more satisfactory evidence of that standing than present ease with debts.

3. Are there any sumptuary laws or regulations concerning credits?

There are such laws, but they are of too recent origin to enable one to speak positively of their effects. They seem, however, to be framed with an impartial regard to the rights of all concerned. Imprisonment

for debt is no longer legal. If the creditors of a person suspect his solvency or his intention to pay his just dues, if they can show sufficient reason for those suspicions the debtor's goods may be seized in their interest; but after a person has once declared himself bankrupt in due form, none of his effects can be seized for debt without proof that he had conducted his business dishonestly and with a purpose to defraud. In that case the law deals with him as a swindler, and not as a gentleman unfortunate in business. Meanwhile the business may be carried on by the creditors or not, as a majority of the capital at stake may elect.

4. To what extent does credit prevail in proportion to the volume of business?

It is very difficult to answer that question. Naturally, the merchants are not willing to answer it themselves. Opinions differ among those who express an opinion. Probably one-half of the business transactions in the district are on from one to six months' time.

5. To what extent do losses incidental to business prevail?

This is not easily ascertained. The reliable houses retire about 5 per cent. annually as an insurance against loss, and it is believed that that would be a fair estimate of losses incidental to business in the district.

6. Do tradesmen extend credit to mechanics and laborers readily?

That depends upon circumstances. Laborers who are paid weekly or monthly must often ask credit, and if their habits are good it is freely granted. Many tradesmen are chary of trusting ordinary day laborers, and it may be said that, as a rule, credit is not readily granted, and certainly not without much discrimination, to the classes of people inquired about.

7. What advantage have cash buyers?

8. Is interest demanded on time accounts?

The advantage of the cash buyer is about equal to the interest demanded on time accounts. It seems to be the almost universal rule to allow buyers from thirty to sixty days, with a discount of from 5 to 10 per cent. to cash buyers. No interest, as such, is charged on time accounts, but if payment is not made at the time agreed upon, interest is then charged from the expiration of that time until payment.

9. With what classes are the evils of credit most conspicuous?

With the easy and careless classes; with those who are beginning business and seek customers rapidly, offering credit as an inducement; and with those who grant it indiscriminately, without first ascertaining how the would-be purchaser is rated at home. The evils of the system extend also to the debtor-class, and in many cases they are quite as marked as in the case of those who have made them their debtors.

10. What kind of produce or manufactured articles command cash returns?

I know of none in the district that command it in themselves. It depends mainly upon the habits of the seller. One firm accepts only cash for goods that another will sell on time. In effect, however, I think that the preference is given to articles that are durable and of permanent value. The merchants seem less ready to grant credit on articles like food and clothing, and such as are for mere temporal use or gratification, than on their opposites. One pays less readily for food than he ate last week than for the brick of the house wherein he hopes to live for years.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

They are rather prevalent, and chiefly among the middle classes.

They are also found among the wealthy and prosperous merchants. In neither case are they conclusive proof of debt; with the former class the money thus raised is employed to good advantage in their business; and as to the latter class, it is known that many of the wealthy merchants in the large cities mortgage even their warehouses and invest the money thus raised, so that the income is considered quite large enough to justify the experiment. Such investments are usually made out of Germany, many of them being made in the United States.

12. When a person in business has once failed, or been discredited, can he resume; and what are the obstacles to such resumption?

There seem to be no insurmountable obstacles of law to such resumption. The chief obstacles are within the person himself, and in his inability to command the necessary capital. The honorable but unfortunate merchant finds a much easier path to resumption than the proved rogue. His roguery must be successful in order to command support.

13. Is bankruptcy frequent?

Cases of clear bankruptcy are not frequent. Among three hundred principal merchants in the district, embracing a large variety of business, there may be reckoned five cases of bankruptcy yearly, or less than 2 per cent. This estimate would probably hold true for the past ten years, not including the financial crash of 1873. It would not be much different, but perhaps a trifle higher, if the small merchants and tradesmen were included.

14. To what extent do relief acts in bankruptcy prevail?

Such relief acts as exist are common to the whole of Germany, and as they will naturally be set forth in other reports on this subject, they need not be enumerated here.

15. Are fortunes readily made and lost?

As a rule, no; fortunes here are the results of industry and enterprise; and they are made the more readily if that enterprise calls to its aid the improved machinery and new inventions that are adapted to the business in hand. What were "new-fangled notions" to the plodders of past generations have become the veritable Midas's hand to their children of the present.

The kinds of business in the district are not such as involve those losses by which fortunes are speedily swept away. Except by unforeseen and unpreventable calamities, like flood or fire, the loss of a fortune is a somewhat gradual matter, and depends as much upon foreign financial stringency as upon local causes. That suggests a cause of frequent heavy losses to the manufacturers here, even when a total loss of fortune is not involved. England, Australia, the United States, South America, and even Russia come to this market for many of its specialties. Thus, the financial condition of nearly the whole civilized globe is making itself felt almost daily here in the Thuringian Forest. Even the Chili-Peru struggle cost one firm heavily, and the failure of the French Union Générale du Crédit actually wiped out one house.

16. What are the general effects of credit?

As seen in this district they are both good and bad, but it is believed that the good effects control. Some of them have been implied in the answer to question No. 1. Buyers very frequently demand credit, and the consent of the merchants thereto keeps business active. In filling these orders the day laborers find paying occupation, which certainly is to their advantage. It is believed also that the system insures quite as good a quality of goods as would be produced under a cash system, for credited articles are not likely to be so readily paid for if they prove bad. It very often confers a real benefit on the buyer without ready

money, enabling him to reap the profits of sales that he could not otherwise control. In such cases the original seller loses nothing in the end, so that the benefit is mutual. If the system brings a class of adventurers into business who do not honor true business principles, it also brings in a class who in time become substantial and reliable merchants. Theoretically, it is regarded as a demoralizer in trade, in the uncertainty in which it involves the seller, and the carelessness of prompt payment and even tendency to repudiation which it may develop in the buyer, but practically it has become so incorporated into the business methods of the district that it cannot be easily avoided.

The average opinion seems to be that the credit system is one that should be used cautiously and conservatively. It enlivens trade, but its total effects on business are much like the effects of alcohol on the nervous system—it stimulates its activity, but if taken too freely it exhausts and possibly ruins it.

GEORGE F. MOSHER,
Consul.

UNITED STATES CONSULATE,
Sonneberg, July 4, 1883.

WURTEMBERG.

REPORT BY CONSUL CATLIN, OF STUTTGART.

I have the honor to state that, in accordance with the instructions contained in the Department circular of May 15, 1883, I addressed to prominent bankers, and others representing large financial or commercial interests in this city, communications embodying the inquiries contained in the circular referred to. I have adopted the following form of question and answer in making up my report, as presenting, in the most concise and intelligible form, such information as is obtainable upon the points involved.

ANSWERS BY MR. NARR, BANKER.

Mr. Frederick Narr, banker, of the firm of Narr & Gerlach, replies :

1. "Does credit stimulate trade?"

Yes, to be sure.

2. "Are people averse to contracting debts?"

They are disposed to do so.

3. "Are there any sumptuary laws or regulations concerning credits?"

No.

4. "To what extent does credit prevail in proportion to the volume of business?"

Variously, according to the special circumstances.

5. "To what extent do losses incidental to business prevail?"

At one time more, at another time less. It depends upon the branches of business, and upon the times.

6. "Do tradesmen extend credit to mechanics and laborers readily?"

Yes; to a large extent.

7. "What advantage have cash buyers?"

Two to five per cent., according to the branch of business.

8. "Is interest demanded on time accounts?"

For some time past, the chambers of commerce and the *Gewerbevereine*, or societies for the promotion of industry, have aimed at such a mode of transacting business, as well as at securing shorter periods of payment than those heretofore in vogue.

9. "With what classes are the evils of credit most conspicuous?"

With the small tradesmen, because they grant too long credits to their customers, even though it is frequently not asked for.

10. "What kind of produce or manufactured articles command cash returns?"
Raw products and inland produce.
11. "Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?"
Yes; among all classes.
12. "When a person in business has once failed, or has been discredited, can he resume; and what are the obstacles to such resumption?"
Yes; he can resume if he gets new credit.
13. "Is bankruptcy frequent?"
Of late, less so.
14. "To what extent do relief acts in bankruptcy prevail?"
Relief acts are not wanting, but in most cases private settlements are made.
15. "Are fortunes readily made and lost?"
Made with difficulty, but lost easily.
16. "What are the general effects of credit?"
It stimulates commerce and industry.

ANSWERS BY MR. HAUSMEISTER, BANKER.

Herr Max Hausmeister, banker, of this city, replies as follows:

1. "Does credit stimulate trade?"
Yes, if used and given with prudence and caution.
2. "Are people averse to contracting debts?"
The thoughtful—yes, provided they see no advantage to be gained by it; thoughtless people, on the contrary, are very liable to contract them.
3. "Are there any sumptuary laws or regulations concerning credits?"
Of special sumptuary laws I know nothing. Legal proceedings can be taken against spendthrifts, and besides there exist usury laws in regard to the taking of interest.
4. "To what extent does credit prevail in proportion to the volume of business?"
In the retail business and to mechanics an excessive credit seems to me to be very often granted.
5. "To what extent do losses incidental to business prevail?"
It is for the above reason that considerable losses appear to ensue to many firms whose transactions are not careful in this regard.
6. "Do tradesmen extend credit to mechanics and laborers readily?"
Yes; frequently more than they ought to, for the reason that an active competition in trade often prompts them to it.
7. "What advantage have cash buyers?"
They generally get a discount unless cash has been agreed upon beforehand.
8. "Is interest demanded on time accounts?"
As far as I know, interest is calculated, in case of credit for wares, only where the purchasers have been for a considerable time in arrears.
9. "With what classes are the evils of credit most conspicuous?"
With artisans and retail dealers.
10. "What kind of produce or manufactured articles command cash returns?"
This question I cannot answer satisfactorily.
11. "Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?"
Mortgages are very common, especially among those not possessing sufficient means to acquire free of incumbrance the land and premises which they need or desire.
12. "When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?"
According to my observation, he can resume if friends or relatives supply him with the necessary funds or credits.
13. "Is bankruptcy frequent?"
More frequent of late than from ten to twenty years ago. In many cases I suppose the reason to be that the private expenses of the bankrupt have been excessive, or that business gains have been too much cut down by bad times and heavy competition.
14. "To what extent do relief acts in bankruptcy prevail?"
They are such as to be of avail in very many cases, especially where considerable assets remain.
15. "Are fortunes readily made and lost?"
Readily gained, no; that seldom happens. They are, however, readily lost, especially in consequence of stock-exchange speculations and ruinous enterprises in the manufacturing line.
16. "What are the general effects of credit?"
That merchants keep rather large stocks on hand, and often grant to purchasers more and longer credit than is good.

Mr. Hausmeister adds:

The foregoing answers can only be based on general observations, and their accuracy cannot, of course, be guaranteed. I suppose, of course, that they refer to the merchants' and manufacturers' mode of doing business in Wurtemberg and vicinity. Should the questions be put quite generally with reference to the economical development of commerce, the answers in this concise form would not suffice, but would have to be put in the form of a comprehensive scientific work.

ANSWERS BY MR. PAUL ZILLING.

Mr. Paul Zilling, director of the Stuttgart *Export-Musterlager*, an association organized on a broad and systematic basis for exhibiting the various manufactures of Wurtemberg and pushing their sale, replies as follows:

In reply to your esteemed circular of the 1st instant, we beg to remark at the outset that several of the questions therein presented are so purely theoretical in character as to render them more appropriate to be submitted to professors of political science and economy than to practical business men. We must therefore restrict ourselves to answering only a part of them, viz:

1. "Does credit stimulate trade?"

Credit has, of course, a stimulating effect on business.

2. "Are people averse to contracting debts?"

There are always to be found people ready to contract debts.

3. "Are there any sumptuary laws or regulations concerning credits?"

In case of bankruptcy punishment is imposed in case it can be proved that the bankrupt has lived beyond his means.

4. "To what extent does credit prevail in proportion to the volume of business?"

More is sold on credit than for ready money.

5. "Do tradesmen extend credit to mechanics and laborers readily?"

Industrious, thrifty artisans easily succeed in obtaining credit.

6. "What advantage have cash buyers?"

A discount of from 2 to 5 per cent. is granted, according to the class of goods.

7. "Is interest demanded on time accounts?"

Where the period of indebtedness exceeds the term agreed on, interest is added in some branches of trade, as, for instance, among the cotton-weavers.

8. "What kind of produce or manufactured articles command cash returns?"

Raw products are frequently sold for cash, though not always.

9. "To what extent do relief acts in bankruptcy prevail?"

In most cases of bankruptcy, creditors agree on a settlement in order to avoid the heavy expenses entailed by going to law.

ANSWERS BY MR. FERDINAND HUBER.

Mr. Ferdinand Huber, a partner in the Wurtemberg *Handelsgesellschaft*, replies as follows:

1. "Does credit stimulate trade?"

Yes; to be sure. Credit is the most important factor for stimulating business.

2. "Are people averse to contracting debts?"

Not at all; only, as a rule, they do not find as many opportunities for doing so as they would like.

3. "Are there any sumptuary laws or regulations concerning credits?"

Yes.

4. "To what extent does credit prevail in proportion to the volume of business?"

Credit on real estate is always greatly sought after. It is also given to the largest extent in commercial and industrial business.

5. "To what extent do losses incidental to business prevail?"

That varies greatly according to the precaution of the business man himself. Generally the losses entailed by giving credit are not very large.

6. "Do tradesmen extend credit to mechanics and laborers readily?"

Yes; the desire to sell tempts many merchants to grant credit much too readily.

7. "What advantage have cash buyers?"

As a rule goods are sold at ninety days net, or for cash with a discount of $1\frac{1}{2}$, 2, and sometimes 3 per cent.

8. "Is interest demanded on time accounts?"

If payment is made within the period agreed on no interest is calculated; but it is otherwise where bills are not met at maturity.

9. "With what classes are the evils of credit most conspicuous?"

I do not know.

10. "What kind of produce or manufactured articles command cash returns?"

Leather and oil.

11. "Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?"

They are very prevalent. Most manufacturers, builders, and real-estate speculators have mortgages on their property.

12. "When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?"

If he has arranged a private settlement he can continue business, but after a bankruptcy which has been settled in court, his former creditors can at any time sequester any property which he may subsequently acquire.

13. "Is bankruptcy frequent?"

Not in ordinary times.

14. "To what extent do relief acts in bankruptcy prevail?"

To the extent of at least 50 per cent.

15. "Are fortunes readily made and lost?"

Generally the progress in either direction is slow.

16. "What are the general effects of credit?"

To give credit is with our people such a general and inveterate practice that he who would refuse to give credit would do no business.*

ANSWERS BY VICE-CONSUL VOSSLER.

Mr. Otto H. Vossler, vice-consul of the United States at this city, and who is identified with the banking business, replies as follows:†

1. "Does credit stimulate trade?"

Yes.

2. "Are people averse to contracting debts?"

No.

3. "Are there any sumptuary laws or regulations concerning credits?"

There are no sumptuary laws in Wurtemberg.

4. "To what extent does credit prevail in proportion to the volume of business?"

Credit is in general use among wholesale merchants.

5. "To what extent do losses incidental to business prevail?"

Losses occur in all branches of business. I am not able to give statistics.

6. "Do tradesmen extend credit to mechanics and laborers readily?"

Mechanics and tradesmen, if well introduced, steady, and industrious, enjoy credit on the part of wholesale dealers. Workmen find it rather difficult to obtain credit.

7. "What advantage have cash buyers?"

Cash buyers obtain a rebate of 1, 2, and 3 per cent. in different branches.

8. "Is interest demanded on time accounts?"

Interest is demanded after maturity, but in view of further orders the demand is frequently waived.

9. "What kind of produce or manufactured articles command cash returns?"

Grain, general produce, horses, cattle, and firewood are generally sold for cash down.

10. "Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?"

Sums of money are lent on mortgage security. The banks are the mortgagees, and issue bonds secured by the deposit of such mortgage. I inclose herewith a set of annual reports showing the volume of business.

(*Allgemeine Rentenanstalt*, 1883; *Württembergische Hypothekenbank*, 1882; *Capitalisten-Verein*, 1882, and *Lebensversicherungs- und Ersparnis-Bank*, 1882, forwarded herewith as Appendix I.)

11. "When a person has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?"

* In reference to this statement it is remarked by Mr. Abenheim, clerk to the consulate at Stuttgart, a resident and native of Wurtemberg, that while no doubt, in a general sense, Mr. Huber is correct, it is nevertheless to be noted that in several branches of trade, the ready-made clothing business, for instance, many firms of long standing sell, as a rule, only C.O.D. The same is the case with many dealers in ready-made boots and shoes and household articles, whose business, so far as is noticeable, does not seem any less extended or prosperous than that of their competitors selling on credit.

† The consul acknowledges the valuable co-operation of Mr. Vossler in the preparation of this report.

Business men who have failed and gone through the court having jurisdiction in such cases may resume business. To do it, they need capital, energy, and fair dealing.

12. "Is bankruptcy frequent?"

Not very.

13. "To what extent do relief acts in bankruptcy prevail?"

In cases of bankruptcy it is always the most expeditious and the cheapest method of settlement to make some arrangements with the bankrupt. Compromises are frequently arrived at. I can give no statistics in this regard.

14. "Are fortunes readily made and lost?"

Fortunes are but slowly made in Wurtemberg, and they may be quickly reduced or lost.

15. "What are the general effects of credit?"

Credit in general is a great promoter of trade and commerce. In good times it is freely offered, and to be had, as it were, for the asking. In hard times—and such have prevailed in Wurtemberg during the last three years—credit is reserved and limited, and only obtainable on good security.

GERMAN JOG-TROT CUSTOMS.

The following is a significant extract from a report of the Chamber of Commerce of Rottweil, in this Kingdom, for 1882, with regard to the system of credit prevailing in Wurtemberg:

We have here a remnant of the old German jog-trot customs, which can only be removed by the joint energetic action of all parties concerned. In military matters the lazy "*laissez aller*" way of doing things has had to yield to a strict organization, upon which every German looks with pride and a sense of safety. May the day soon come when in commercial intercourse as well the reins shall be drawn tighter. Any one acquainted with our people's customs is well aware that the German knows how either with his pen or while talking behind a glass of beer to picture all the unfavorable aspects of public affairs in the most vivid colors, and to render all institutions the object of unsparing criticism, whether such criticism be justified by facts or not, thinking herein to be doing his duty, and not wishing at all to be disturbed in his phlegmatic tranquillity. Consequently there is little hope that our systems of payment, the lamentable condition of which none can deny, will in the near future experience the wished-for remedies. If cash payment, or one month's credit for amounts of not over 10 marks, or three months' draft for larger amounts are to be considered as desirable conditions between purchaser and seller, the transition from our loose way of doing business to the new system could be most speedily effected through the joint agreement of all interested, with a stipulation that each would be heavily fined for every contravention of the principle thus jointly adopted. But as such an agreement could never be brought about without compulsion, since many tradesmen would hope to gain an increase of customers through clinging to the old custom, and would therefore keep aloof from the objects of the association, the first step would have to be taken in such a manner that very many firms, covering a very large district, should proceed in the manner above indicated by making agreements among themselves, so that then those who at first would be passive or even offer opposition would by and by, under the pressure of the advantageous consequences of a strict business system, also come into the new plan. We in no wise underrate the difficulties which the putting of these propositions into practice would involve, but we think that what the political science and the business routine of other countries have long since acknowledged as right must at last find adoption also among us, and take the place of those unsound and unthrifty systems which must grow more intolerable the longer they last.

OPINION OF DR. HUBER.

Dr. Jur. F. C. Huber, the experienced secretary of the chamber of commerce of this city, writes:

I am of opinion that my statement published in the Stuttgart Chamber of Commerce report for 1880-'81 furnishes the most available and definite material obtainable in reference to bankruptcy matters, and I therefore only add, with regard to your questions 13 and 14, that since the introduction, in 1879, of the new forms of procedure at law, private settlements, while not in my opinion calculated to improve the tone of public credit, have been the rule, and bankruptcies rare exceptions.

Dr. Huber's published statement, above referred to, says :

BANKRUPTCY STATISTICS.

In Wurtemberg, according to the *Württ. Jahrbücher* of 1873, the following bankruptcies took place in the years 1864-73 :

1864	784
1865	1,056
1866	1,241
1867	1,379
1868	1,239
1869	1,045
1870	975
1871	1,152
1872	926
1873	888

Total 10,685

Average of a year 1068.5

Yearly average of each county 17

On every 10,000 inhabitants fell bankruptcies 5.8

Average of each year :

Years 1840-1847 1,439

Years 1864-1873 1,068

Yearly average of each county :

Years 1840-1847 223

Years 1864-1873 17

On 10,000 inhabitants :

Years 1840-1847 8.34

Years 1864-1873 5.8

The single professions and trades participate with the following rates :

Year.	I. Agriculturists and breeders of cattle.	II. Tradesmen.	III. Innkeepers.	IV. Manufacturers.	V. Overseers and workmen in manufactures.	VI. Merchants of every kind and dealers.	VII. Employes, or persons being in the service of the state and of corporations.	VIII. Profession not stated.
1864	90	407	41	13	3	116	71	43
1865	197	508	62	15	8	126	62	78
1866	220	643	65	15	13	109	90	81
1867	252	688	94	14	11	126	71	123
1868	243	627	87	11	6	126	62	77
1869	164	594	73	13	3	87	73	38
1870	193	504	72	17	4	109	39	37
1871	240	616	69	5	6	119	43	54
1872	203	506	59	2	2	78	35	37
1873	145	438	97	20	9	103	43	37
Total	1,947	5,536	719	131	65	1,097	589	605
Yearly average	194.7	553.6	71.9	13.1	6.5	109.7	58.9	60.5
In per cents	18.1	51.8	6.8	1.2	0.7	10.2	5.5	5.7

A comparison of divisions II, III, IV, V, VI with division I shows that 18 per cent. of the bankruptcies occurred to agriculturists, and 72 per cent to trade and commercial pursuits; consequently agriculture suffered only the fourth part of the rate suffered by commerce and trade.

By the census of the 1st of December, 1871, there were numbered in Wurtemberg 610,000 persons employed in agriculture and fishing, and 877,000 in industry, commerce, and trade; consequently 41 per cent. fell on the former and 59 per cent. on the latter.

Of tradesmen, the highest ratio was at Stuttgart City (47.7, yearly average), Ulm (18.5), Reutlingen (17.2); the lowest, at Böblingen (2.1), Crailsheim (3.3), Weizheim (3.5). Of innkeepers: highest, Stuttgart City (11.3), Ulm (4.5), Ehingen (2.2); lowest, Böblingen (0.1), Tettnang (0.2), Besigheim, Brackenheim, Marbach, Herrenberg, Tuttlingen, Gerabronn (each 0.3). Of merchants: highest, Stuttgart City (19.7), Reutlingen (12.8), Ulm (4.7); lowest, Waiblingen (0.1), Blaubeuren (0.3), Maulbronn (0.4). Of employes: highest, Stuttgart City (10.1), Ulm (2.8), Ludwigsburg (2.2); lowest, Göppingen (0), Böblingen (0.1), Herrenberg, Waldsee (each 0.2).

As to the individual trades, the most bankruptcies occurred with—

Yearly average.

Shoemakers.....	60.0
Masons and bricklayers.....	43.1
Bakers.....	40.4
Weavers.....	32.2
Joiners.....	25.9
Tailors.....	25.8
Butchers.....	25.5
Carpenters.....	23.3
Smiths.....	17.7
Millers.....	15.6
Carriers.....	15.3
Curriers.....	12.3
Locksmiths.....	10.5
Brewers.....	10.1
Clothiers.....	10.0
Brick-makers.....	10.0

With the manufacturers, the most cases (however, scarcely one a year) occurred in the corset, jewel, paper, and tobacco manufactures.

We do not conceal from ourselves how great an abuse has already been and will at all times be made of statistics. Especially would it be fallacious to a high degree, as Dunn, Barlow & Co. proved a year ago, were one to rely too much on even such exact information as is furnished by figures. Statistics of this kind are essentially the record of the immediate past only, and seldom or never can any prophetic value be attributed to them. It is dangerous to reason too much from general to special conditions and to neglect in individual cases the measures of precaution always necessary in consequence of favorable conditions shown by an average. A disposition to presume that every merchant is safe because the whole mercantile world prospers would prove a very fatal mistake. This very list of failures gives a true and distinct picture of the course of business, and forms, in our opinion, an essential part of a report on the temporary condition of commerce and industry.

A periodical, say a semi-annual, review of the principal causes of bankruptcy (accidents and changeable laws on the one hand, and deviations from regular business habits, extravagance, and an excessive use of credit on the other) would be an impressive warning against overtrading and a strong preservative against forced sales. Thoroughly elaborated, popular, and synoptic bankruptcy statistics would be a necessary supplement to those treating of the results of harvest and raw production; they would be at the same time an infallible touchstone for the law-makers on bankruptcy and execution. "Everybody," says L. Stein, in his newest work, *Die drei Fragen des Grundbesitzes*, "who is occupied in observing the course of commerce and industry will regret that statistics of indebtedness and the abuse of credit are almost entirely wanting in all European countries, whilst we possess most accurate statements in regard to the movement of population and the import and export of goods." The advantage of such practical statistics has been more fully proven by Mr. Freedley-Piening in his work *Die Praxis des Geschäftslebens* and we must content ourselves with referring the reader to his interesting arguments.

For this reason we have compiled for our district—for the present for 1873-'79—from the judicial bankruptcy acts a very carefully prepared table of the principal professions and of the claims which have been lost in bankruptcy cases. We intend to complete the statements in the coming year up to the latest status, and to add the percentage of failures in proportion to the registered firms as well as an indication of the temporary causes of bankruptcies.

The result of the subjoined list of failures is for the district of the Chamber of Commerce at Stuttgart for 1873-'79, as follows :

Year.	Number of bankruptcies.	With—		Consequent loss.	Percentage of loss.	Percentage whereof falls on Stuttgart City.
		Assets.	Liabilities.			
		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		
1873.....	282	3,808,401	9,004,516	5,196,115	57.71	79.78
1874.....	414	8,181,484	15,851,101	7,669,617	48.39	81.76
1875.....	543	8,948,722	17,087,249	8,138,527	47.62	68.76
1876.....	511	7,644,990	14,410,467	6,765,537	46.95	72.88
1877.....	671	12,545,734	25,550,586	13,004,852	50.90	79.03
1878.....	735	8,736,371	16,903,080	8,172,709	48.69	57.06
1879.....	661	5,802,953	10,831,104	5,028,151	46.42	50.34
	3,797	55,662,095	109,638,103	53,975,508	49.23	71.17

As regards the number of bankruptcies, the yearly average for our district is 542.4, and for each county 42. Our population being according to the census of 1875, 476,366, 11.6 cases occur to every 10,000 inhabitants. The decrease in the number of cases since 1876, as well as of liabilities and of the sum of lost claims since 1877, seems remarkable and indicates the progress of recovery, which also evinces itself in the improvement of the proportion of uncovered claims to assets (1873, 57 per cent. ; 1879, 46 per cent.).

Comparing this result with the statistics of bankruptcies of 1864-'73 contained in the *Wurtemb. Jahrbücher* of 1873, a considerable increase will be observed; in the ten years, 1864-'73, the total number of bankruptcies in the whole Neckar circuit amounted only to 3,570, and the average per year to 357, per county to 21, and per 10,000 inhabitants to 6.5, or about one-half less than since then.

This extraordinary increase of the number of cases of bankruptcy is shown in the average of the two periods as follows.

Locality.	1864-'73.	1873-'79.
Stuttgart.....	100	256
Cannstatt.....	14	45
Esslingen.....	16	30
Ludwigsburg.....	21	32

The largest increase of failures was experienced among tradesmen; before 1873 their average was 83 per cent., afterwards 90 per cent., in proportion to other branches. From 1873-'79 nearly four times as many manufacturers and merchants became bankrupt as during the preceding ten years (819 against 240) and more than double as many innkeepers (279 against 113). In Stuttgart, for instance, the former contributed in 1864-'73 only 24, but afterwards 34 per cent., to the list of failures; their numbers increased in the last six years from 240 (before 1873) to 819 in 1873-'79.

Examining the losses sustained by creditors from 1873-'79 we find a surplus of liabilities over assets of 54,000,000 marks, of which 49,000,000 fall upon commerce and industry. The most disastrous year proved to be 1877, in which year at Stuttgart, for instance, in 225 (out of 335) cases the unprotected claims were lost altogether, and assets of only 9,000,000 marks were opposed to 19,000,000 marks of liabilities, showing that one-fourth of the 38,000,000 lost in this place by bankruptcy during the seven previously-named years was lost during the year 1-77.

The largest losses, as regards greatness of amount, occurred during the years 1877 (13,000,000), 1878 (8,200,000), 1875 (8,100,000); the least losses 1879 and 1873 (in each year 5,000,000).

With regard to the surplus of liabilities over assets, the years 1873, with 58 per cent., and 1877, with 54 per cent., range highest.

Among the individual county courts the loss for 1873-'79 is distributed as follows:

Locality.	Number of cases.	Excess of liabilities over assets.	Percentage of total loss.	Percentage of loss of district.
		<i>Marks.</i>		
Stuttgart City	1,792	38,415,307	71.17	50.30
Cannstatt	325	4,523,913	8.88	48.99
Esslingen	212	2,355,913	4.37	45.67
Stuttgart district	229	1,941,626	3.60	50.48
Ludwigsburg	228	1,584,715	2.94	45.70
Backnang	170	1,301,894	2.41	44.19
Waiblingen	144	943,214	1.75	41.24
Leonburg	138	711,165	1.32	45.27
Maulbronn	201	689,614	1.27	45.49
Vaihingen	100	607,085	1.12	52.34
Schorndorf	120	499,409	0.93	43.63
Marbach	103	264,706	0.49	35.39
Böblingen	35	136,947	0.25	73.75
Total	3,797	53,975,508	=100	.....

The non-preferred creditors got, in 2,359 cases, nothing; in 727 cases up to 30 per cent., and in 407 cases over 30 per cent.; in 304 other cases the proceedings were discontinued or terminated through compromises.

I.—Table of bankruptcies according to the principal professions.

Professions.	Stuttgart City.		Stuttgart district.	
	In ten years.	Yearly average.	In ten years.	Yearly average.
I. Agriculturists and cattle breeders	34	3.4	17	1.7
II. Tradeamen	477	47.7	104	10.4
III. Innkeepers	113	11.3	13	1.3
IV. Manufacturers	43	4.3	3	0.3
V. Overseers and workmen in manufactures	6	0.6	1	0.1
VI. Merchants and dealers	197	19.7	6	0.6
VII. Employés or persons in the service of the state or of corporations	101	10.1	8	0.8
VIII. Professions not stated	36	3.6	5	0.5
Total	1,007	.....	157	.....

II.—Table of bankruptcies for 1864-'73.

Year.	Stuttgart City.	Stuttgart district.
1864	90	9
1865	116	17
1866	171	18
1867	135	16
1868	123	22
1869	89	20
1870	72	15
1871	76	12
1872	68	14
1873	72	14
Total in ten years	1,007	157
Average of a year	100.7	15.7
On 1,000 inhabitants of all bankruptcies	10,991	4,629

III.—Table of bankruptcies for Stuttgart City for the period 1864-73.

Year.	Number of bankruptcies.	With—	
		Assets.	Liabilities.
		<i>Marks.</i>	<i>Marks.</i>
1873	140	2,887,460	7,082,914
1874	235	6,317,281	12,588,097
1875	294	6,445,806	12,042,243
1876	287	5,447,456	10,378,040
1877	335	9,069,847	19,347,158
1878	305	4,810,187	9,478,808
1879	196	2,975,896	5,506,993
Total	1,792	37,953,441	76,868,748

Loss 38,415,307=50.3 per cent.

In conclusion I beg to transmit herewith two pamphlets, (1) on the reform of commercial and industrial credit, and (2) on term and cash payments both of them written and published by Mr. Ferdinand Auberlen, president of the *Handel- und Industrie-Börse* in this city, who has kindly recommended them to my attention. "I have laid down therein," writes Mr. Auberlen, "much that has reference to the questions you have placed before me, and I shall be glad if they can prove useful to you in carrying out your instructions."

GEORGE L. CATLIN,
Consul.

UNITED STATES CONSULATE,
Stuttgart, August 25, 1883.

BELGIUM.

BRUSSELS.

REPORT BY VICE-CONSUL STEIN.

Referring to my dispatch No. 36, acknowledging the receipt of your circular dated May 15, relating to the "systems of credits which prevail in and their relation to and effect on the general prosperity of the several countries," I have now the honor to respectfully submit, as the result of my inquiries, the following replies to the interrogatories contained in said circular:

1. Does credit stimulate trade?

In Brussels credit not only stimulates trade, but also greatly facilitates the same. The majority of tradesmen would be unable to do business without credit, and if they were limited to cash transactions trade would be exceedingly contracted. Generally, wholesale houses accord a credit of ninety days to retailers, thus enabling them not only to buy larger stocks of merchandise, but also to obtain the same on better terms, and in this manner permit many of the smaller tradesmen—who have little or no capital to invest in their business—to rely nearly entirely upon the proceeds of their sales during these three months to pay for their merchandise. Without this credit these tradesmen could do no business. I therefore think trade without credit would nearly be an impossibility here.

2. Are people averse to contracting debts?

As a general rule, people are but too willing to contract debts, and one of the most appreciated qualifications of a business man here is to be able to gauge the credit a customer is worthy of.

3. Are there any sumptuary laws or regulations concerning credits? There are no such laws or regulations in Belgium.

4. To what extent does credit prevail in proportion to the volume of business?

All depends upon the nature of the business. In small trade transactions cash, or payment in thirty days, is the rule, while larger business houses give more extended credit.

5. To what extent do losses incidental to business prevail?

It is impossible for me to reply to this question.

6. Do tradesmen extend credit to mechanics and laborers readily?

Yes, provided these workmen are deemed honest and respectable; but as they can only give for security the proceeds of their labor, and that being subordinate to life and health, the credit allowed them, as a rule, never exceeds a proportion of the weekly or monthly salary which they receive.

7. What advantage have cash buyers?

By paying cash an intelligent mechanic can obtain articles of consumption about 10 per cent. cheaper. A small tradesman can, by paying within thirty days, get from 3 to 5 per cent. discount on an invoice which otherwise he would be obliged to pay off at three months without any allowance of discount. In small transactions a person can always purchase cheaper by paying cash.

8. Is interest demanded on cash accounts?

This also depends upon the nature of the business. Bankers generally add 5 per cent. per annum interest on overdue accounts. Manufacturers and wholesale houses usually accord a credit of three months without interest, but for longer time from 5 to 6 per cent. interest per annum is demanded. I am told that nearly all retailers add about 10 per cent. to their regular cash prices on time sales.

9. With what classes are the evils of credit most conspicuous?

With the lower classes and with persons who have a fixed annual income, such as clerks, small Government employés, &c.

10. What kind of produce or manufactured articles command cash returns?

Articles of daily consumption, such as bread, meat, groceries, &c., are usually, if not always, paid for in cash. Raw sugar, grain, hams, and bacon, and almost all the imported articles of consumption are usually paid cash for.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Mortgages are investments very much sought after by the higher and middle classes. This credit is generally demanded by manufacturers and large land owners. Some of the higher classes, who live beyond their income, in endeavoring to keep up appearances, are also often obliged to resort to this credit to obtain funds.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

A person who has failed, or has been discredited, and succeeds in making an arrangement with his creditors, can, as long as he honestly fulfills this arrangement, continue to do business, but loses all of his civil rights, and can only reobtain the same by a decree granted by the court of appeals, upon the condition of having first paid off all of his

creditors. A bankrupt can always, after paying his debts, become re-enabled to do business by a judgment delivered by the same court.

13 and 14. Is bankruptcy frequent? To what extent do relief acts in bankruptcy prevail?

Bankruptcy is not frequent in Belgium, it being usually avoided by arrangements with creditors. In this city there were from the 16th August, 1879, to the 15th August, 1880, the judicial year of Belgium, 193 failures, for which 23 relief acts were granted. During the same period of 1880-'81 there were 181 failures, for which 25 relief acts were granted. In the judicial year 1881-'82 there were 178 failures, for which 18 relief acts were granted.

15. Are fortunes readily made and lost?

No; not in Belgium.

16. What are the general effects of credit?

As I said in my answer to the first question, the objects of credit on commerce in this city are considerable. In Belgium, although relatively a rich country, there are no large associations of capitalists that do business, and most all tradesmen here begin trade modestly and with little capital. Therefore credit, which is confidence in the solvability of a person, is indispensable for the success of trade. It might even be said that trade in this Kingdom would be nearly impossible without credit. There exists in this city, under the name of *Union du Credit*, a society the basis of which is a happy application of the principle of association and mutual responsibility. In 1848 a number of tradesmen and manufacturers jointly and severally bound themselves by constituting a guarantee fund, to which each of them contributed a determined part, proportionate to the total amount of credit he demanded, to discount each others' notes.

It is in this manner that small tradesmen, who were until then nearly deprived of credit, can now, on being admitted to the "Union," have their notes discounted on moderate terms.

The credit allowed now to any one member varies from 500 to 100,000 francs per annum, according to the security he can offer. The members of this society have been increasing every year, and financially it is in a very prosperous condition.

In January of the present year, there were 3,451 members in the "Union," with a guarantee fund of 44,118,950 francs.

During the year 1882 it discounted for its members 600,004 notes, representing the sum of 174,759,056.59 francs.

These figures alone show how necessary credit in this city is. Therefore, I think, credit is useful here, as long as it is accorded to serious business men and always in proportion to their real trade. As soon as credit is granted to assist speculation, it must be paid for dearly and those that obtain it are obliged on account of this to risk their capital and that of the capitalist, and the final result of this speculation is generally bankruptcy.

Credit, therefore, is only good and useful upon the condition that it is reasonable and prudent, and that it is given to further honest and legitimate business enterprises.

ADOLPH STEIN,
Vice-Consul.

UNITED STATES CONSULATE,
Brussels, July 24, 1883.

GHENT.

REPORT BY VICE-CONSUL LEFEBVRE.

Does credit stimulate trade ?

Yes, to a limited extent, but scarcely ever favorably. There are two kinds of credit : A, credit for goods ; B, bankers' credit.

The credit A is given generally to the small manufacturers who have to invest their capital in machinery ; this credit, then, is represented by the plant, and can be made good to a certain extent. It is also granted to the retailers, who account for its amount by the sums that are due to them and for which they in their turn have to give credit for to the purchasers. The credit B is allowed to the manufacturers and merchants for, 1st, if they bear a good character, and are known as solvent, the advance of funds on their signature ; 2d, if of a second order of business people, for the discount of their drafts and bills.

Are people averse to contracting debts ?

People as a rule are adverse to contracting debts ; that is, if they are the honest kind of trades-people. However, buyers do not fear to accept credit for the goods delivered to them. They are more reluctant to borrow money.

Are there any sumptuary laws or regulations concerning credits ?

The law upon interest has been done away with for more than ten years, and money can now be lent out at any rate of interest. Those rates, however, vary from 3 to 6 per cent., and seldom reach a higher limit.

To what extent does credit prevail in proportion to the volume of business ?

It would be rather difficult to answer this question, which will, as near as possible, be developed in the answers to the following ones.

To what extent do losses incidental to business prevail ?

It would be impossible to state exactly the volume of business transacted in this district ; therefore, can only say that payments are exacted at from thirty to ninety days from date of invoice, according to the class of goods that are invoiced ; and that the average dividend paid by the bankruptcy court amounts from 12 to 18 per cent.

Do tradesmen extend credit to mechanics and laborers readily ?

No ; but they cannot, as a rule, help themselves ; so that they give credit from one Saturday to another to the work-people, who being usually paid on that day, bring in the money, and, if prevented by sickness or otherwise to keep their promise as to payment, they pay their debt by weekly installments.

What advantage have cash buyers ?

They may in some instances get favorable prices. However, the firm that is known to be good will be allowed to have a certain length of credit at real cash prices. The discount for cash payments averages one-half of one per cent. per month.

Is interest demanded on time accounts ?

It depends on circumstances. The accounts between business people are charged equally 5 per cent. as a rule. On bank accounts, the interest charged varies according to the rate of interest of the National Bank of Belgium, which averages from 3 to 4½ per cent. Other bankers usually charge 1 per cent. more than the National Bank.

With what classes are the evils of credit most conspicuous ?

The small manufacturers and the retail dealers are those that use most of credit. Clothiers, furniture dealers, painters, contractors, shoemakers, and, in short, all those things that do not come under the head of regular business, are paid, and paid for every year, in January for the deliveries made during the preceding year.

What kind of produce or manufactured articles command cash returns ?

Most raw materials, such as flax, cotton, sugar, iron, machinery, &c., are paid for in cash.

Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes ?

Mortgages are granted sometimes for the opening of credit at the banker's, but more for the immediate advance of cash to those business people that have not sufficient capital to go on with, and that own their mills and machinery, or perhaps some other property. The mortgages last as a rule for a term of ten years, and can be renewed by mutual consent. The rate of interest on the advanced capital varies from 4 to 5 per cent. A mortgage is created by law in case some movable property belonging to minor children has to be guaranteed.

When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption ?

No. Prescription, however, takes place thirty years after the judgment declaring the bankruptcy. A bankrupt is not allowed to own any kind of property for a period of time of thirty years. Everything that he may have belongs to his creditors. This law is evaded, however, by the bankrupt doing business or buying property under the name of wife, child, or other relation.

Is bankruptcy frequent ?

Yes, amongst small business people. Heavy failures are the exceptions.

To what extent do relief acts in bankruptcy prevail ?

In a very few cases indeed, and when the bankrupt belongs to a good family, the latter then has to intervene to obtain a relief act by means of a certain percentage added to the already existing dividend.

Are fortunes readily made and lost ?

Rapid fortunes and sudden failures are the exceptions. Fortunes cannot be made quick on account of the great production, which gives rise to opposition, and the surplus of this production can only be exported under difficulties, owing to the duty put upon its entry into the different countries it has to be sent to. A fortune laboriously acquired renders the owner of it cautious of speculations and squandering, and therefore rapid losses of fortunes are very rare.

What are the general effects of credit ?

Credit ought to develop business, and does so in a few instances, but in too many cases it causes people to squander money foolishly, and bankruptcy follows as a rule.

ALFRED LEFEBVRE,
Vice-Consul.

UNITED STATES CONSULATE,
Ghent, September 5, 1883.

LIEGE AND VERVIERS.

REPORT BY CONSUL TANNER.

I have the honor to acknowledge the receipt of circular dated May 15, 1883.

I shall reply strictly to the interrogatories contained in it without offering comment, as by so doing all the ground can be covered.

1. Does credit stimulate trade?

Yes.

2. Are people averse to contracting debts?

Yes, as a general thing.

3. Are there any sumptuary laws or regulations concerning credit?

No.

4. To what extent does credit prevail in proportion to the volume of business?

Eighty per cent. or unlimited.

5. To what extent do losses incidental to business prevail?

To a very low extent; say 2 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

To a small extent; only within their capacity to pay.

7. What advantage have cash buyers?

In most cases they pay lower prices.

8. Is interest demanded on time accounts?

For large trades, yes; but for small accounts, no.

9. With what classes are the evils of credit most conspicuous?

With the middle classes.

10. What kind of produce or manufactured articles command cash prices?

Natural products, iron, coal, steel, brass, &c., invariably; for small trade also cash is demanded.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what class?

Yes; among all classes.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

If an arrangement is made with his creditors he can resume at once. If he is declared bankrupt he cannot resume in his own name until his creditors have been satisfied.

12. Is bankruptcy frequent?

Very rare.

14. To what extent do relief acts in bankruptcy prevail?

A very limited extent. When it is shown that there is no blame to be attached to the bankrupt, he is allowed to go free; when the contrary, imprisonment is inflicted.

15. Are fortunes readily made and lost?

Slowly and rarely made, but 95 per cent. of those made are transferred from father to son.

16. What are the general effects of credit?

Stimulation and extension of trade, for the reason that ready money at the disposal of a merchant or tradesman will permit of his paying cash in all cases.

I am indebted, and make in consequence my acknowledgments, to Mr. Henry Dodd, of Verviers, for most of the information herein embraced.

GEO. O. TANNER,
Consul.

UNITED STATES CONSULATE,
Liege and Verviers, July 27, 1883.

HOLLAND.

AMSTERDAM.

REPORT BY CONSUL ECKSTEIN.

Having received a copy of the circular issued by the Department of State, dated May 15, 1883, addressed to the consular officers of the United States, requesting them to prepare reports on the systems of credits within their respective districts, I have now the honor to offer herewith such information on the subject as I have been enabled to gather.

Subjoined to the circular referred to are certain interrogatories, showing the scope of the information desired, which, on comparing with the report I submit, makes me apprehend the same will be found to be in many respects defective or incomplete, perhaps disappointing the Department's expectations. But if so, I may be permitted to call attention to the fact that to give clear and pertinent facts and in full, as is asked for in answer to the various interrogatories submitted, would require previous investigation and research of a nature such as the facilities therefore, if they exist at all, are not within my reach. I may say, however, that I have done the very best I could under the circumstances, and present the following as the result of my endeavors to comply with the request of the Department, and prove thereby my sincere inclination to make myself useful to the financial and industrial interests of our country.

In making this report I adopted the form of first reciting, *seriatim*, the different interrogatories with my answer to each following, viz:

Does credit stimulate trade?

It is generally considered, to do so; but if to effect permanent advantage and to render trade safe and profitable, it is held that credit must be judiciously extended when and where credit is asked, and before it is given it should be satisfactorily known or ascertained that the applicant has a good moral character, has the qualifications required to carry out the business or engage in the particular enterprise in respect of which credit is desired, and in many cases that he is financially responsible.

Are people averse to contracting debts?

It cannot be said, as I am informed, that people here are averse to accepting credit or contracting debts; at the same time there does not prevail any marked anxiety to obtain credit. It is said to be here in this respect, as in most other countries: those most responsible for any debts they might contract and most deserving credit are, as a rule, least willing to run into debt or accept credit.

Are there any sumptuary laws or regulations concerning credits?

Sumptuary laws or regulations, either generally or specially, concerning credits, do not exist in the Netherlands. As indirect sumptuary regulations may, however, be considered some of the provisions of the

law of the 10th May, 1837, defining such acts of bankruptcy as render the bankrupt trader liable to punishment if prosecuted, viz:

- a. Extravagance in household expenses.
- b. Considerable losses sustained in gambling, or in hazardous operations and enterprises, depending merely on chance.
- c. Raising considerable sums of money, or selling merchandise with a loss and below the market price, at a time when his assets amounted to less than 50 per cent. of his debts.
- d. Issuing bills of exchange or other commercial paper adapted for circulation for more than three times the amount of his assets as shown by his last balance sheet.

All of which offenses are punishable with from one month to two years' imprisonment under the penal code.

The system of taxation in the Netherlands, based chiefly on the expenditure of the inhabitants, as shown by the rent of the houses they inhabit, the value of their furniture, the number of servants and horses they keep, also in some way acts as a kind of restriction on their general expenditure.

To what extent does credit prevail in proportion to the volume of business?

This does not seem to be demonstrable. There exist no printed statistics showing either the volume of business or the losses sustained therein during any one year or other given period of time, at Amsterdam, this consular district, or in the whole country. On this point I consulted a number of persons most conversant with the subject, and they all agree and say it is not in the nature of the case for any one to have or to arrive at anything like a correct or definite knowledge of what has been or is the extent to which credit prevails in proportion to the volume of business here. It may be stated, however, that the wholesale trade of the country is carried on more upon the cash than the credit system. Formerly there existed here a so-styled strong "second hand" in business, engaged in buying from importers in large lots and in reselling in smaller quantities, &c. Then the credit sales exceeded the cash sales, but now and since retailers buy largely of the importers directly, cash payments have become, and are, nearly the rule. Importers of colonial products sell, almost invariably, only for cash. Wholesale merchants and speculators in such products, other foreign and domestic products, and in home and foreign manufactures, sell freely on a credit of from three to three and a half months, with or without promissory notes. In case "notes" are given and accepted the seller loses his right to reclaim the goods if still in possession of any buyer who within thirty days thereafter should stop payment or fail; a right which otherwise he would have. Bourse transactions, dealings in securities of every description, are invariably carried on on the exchanges at Amsterdam and Rotterdam upon the cash principle. Monthly or fortnightly settlements, as in vogue at the London and Paris stock markets, where only the difference in price is adjusted, without really paying the purchase price of stocks and delivering them, are unknown here. To this circumstance it may doubtlessly and greatly be attributed that the decline and consequent loss in American railroad securities, as well as in various European stocks, which for the last two years have absorbed so much of the national wealth of this country, have nevertheless hardly caused any failures.

To what extent do losses incidental to business prevail?

Losses incidental to business in this country, so far as they arise from bad debts, prevail, generally and comparatively speaking, to only an

inconsiderable extent. The great bulk of the import trade, particularly of colonial products, as well as most all other large transactions being now carried on upon the principle of "little credit on short time" effectually prevents heavy losses being sustained on account of misplaced confidence in dishonest buyers or unfortunate customers.

Financial and commercial institutions, firms, and merchants, having once acquired and enjoying a reputation for solidity and morality, and which may be said to be the case with the great majority doing business in this country, are very rarely known to fail or become bankrupt. Failures, however, are of very frequent occurrence in all branches of the retail trade. For this, quite a combination of causes are assigned, some of which, as I am assured, ought and could be avoided, if all shopkeepers were careful, cautious, and more scrupulous. As it is, failures are very numerous, but the amounts of liabilities therein involved and the losses thereby entailed, are, in the aggregate, and comparatively, after all, but insignificant.

Do tradesmen extend credit to mechanics and laborers readily?

There are in all places in this country certain tradesmen who do so. Mechanics and laborers known to them to be usually industrious and provident have no difficulty in obtaining credit for nearly all necessities of life, for articles of wearing apparel, and tools of trade. When they are at any time out of work or otherwise temporarily unable to earn wages, some shopkeepers always furnish them certain supplies, often on long credit. There also prevails a practice of crediting mechanics and laborers for ready-made clothing, taking pay therefor by weekly installments. This trade is said to be rather lucrative, as the mechanics and laborers here, as a class, are very honest, and always do their utmost to satisfy their creditors, the shopkeepers, whose losses are, under those circumstances, hardly ever very considerable, whilst they generally charge in such cases a higher price for their goods.

What advantage have cash buyers?

No other pecuniary or direct advantage than that they are allowed from 1 to 1½ per cent., and in very exceptional instances 2 per cent., discount on all purchases of goods usually sold on three months' credit. As the discount on promissory notes rises seldom above 3½ to 4 per cent. per annum it is most always to the interest of buyers to pay cash, and a merchant who asks or accepts three months' credit when discount is quoted very low, runs a risk of being looked upon with suspicion, and is apt to injure his standing. This, however, does not refer to shopkeepers or retailers who are known to be obliged to sell on long credits; they may safely buy at all times on such terms without injuring their credit or standing. In the retail trade there also prevails a custom to allow cash buyers and such persons as pay for what they purchase within a month or so thereafter, a certain discount, amounting sometimes to as much as 5 per cent. The one-price system (*prix fixe*) is generally established and strictly adhered to in nearly all branches of the retail trade.

Is interest demanded on time accounts?

There is no interest demanded on such accounts, only that on time accounts the discount is, of course, lost, which would be allowed if cash were paid. On accounts remaining unpaid when due, and for the recovery of which suit is brought, interest may be legally demanded, but only from the date that suit is commenced. The legal rate of interest in such cases is 6 per cent. on commercial accounts and 5 per cent. on civil accounts or for money due on account of labor or service of any kind. However, agreements providing that interest shall begin

and be chargeable from the day accounts mature and remain unpaid may legally be made, but this is not done very often. On accounts in retail stores where, as already stated, customers are often and freely allowed so long a credit, there is never any interest charged. This liberality on the part of shopkeepers and tradesmen is, however, more apparent than real, for the prices they charge and obtain are generally so high and the profits they realize so large that they can well afford to give long credits without injuring themselves.

With what classes are the evils of credit most conspicuous?

Whatever of evil there arises from and exists on account of the credit system prevailing here is held to be most conspicuous amongst that numerous class in the community which has solely to depend and subsist upon certain fixed salaries or wages, and with certain retail traders. The salaries of many employés in the public service as well as the earnings of persons engaged in private institutions of every description, are frequently and if carefully husbanded no more than absolutely sufficient and required to support themselves and families. But the ease and facility with which credit is obtained of or extended by tradesmen and shopkeepers often makes them break through of what should restrict them to frugality and economy—and contract debts for articles of luxury, and finally find themselves in difficulties if not ruined. By the retail traders above referred to are more particularly meant such shopkeepers as sell articles for daily use in the household, who usually buy on credit, but sell mostly for cash, who frequently neglect keeping their books properly, or fail to consult them often enough as to outstanding debts—believe themselves to be better off than they really are, are led to incur unjustifiable expenditures, all in the absence of a proper equilibrium between real income and outlay, all of which usually results in their failure in business.

What kind of produce or manufactured articles command cash returns?

Amongst the principal articles of produce which nearest approach to commanding cash returns are, sugar, coffee, tea, tin and other metals, spices, madder, petroleum, linseed and rapeseed oil, fine seeds, rum, dextrine, anchovies, live stock and other farm products, &c. Transactions on speculation for the future delivery of any such article always involve cash payments at time of its delivery. Operations of this description, whilst they are not carried on here very extensively, are by no means uncommon, and as to the article of rye they are often quite extensive. In former days, as I am informed, all breadstuffs generally commanded cash returns, but this has changed during recent years, and dealings therein now are usually on a credit of from two to three months. No manufactured goods of any kind command absolutely cash returns, or payment on delivery. The entire business done is done on a credit basis, time varying from thirty days to three and a half months, and as per agreement in each case.

Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Mortgages on real property are prevalent among all classes except the wealthy and those whose means of subsistence are barely sufficient to sustain life. The amount of capital in this country being very great in comparison to its size and population, and the holders thereof but little inclined to invest their money in commercial or industrial enterprises, there is hardly ever any difficulty in obtaining either large or small sums on the security of mortgages on real property at a very moderate rate of interest, varying from 4 to 5 per cent. per annum. And as house rent, particularly in the larger towns, is, on the other hand,

exorbitantly high in comparison to the market value of the premises, it is but natural that many people who have either inherited or saved a small sum of money purchase houses of far greater value than the capital they possess, making up the deficiency by at once mortgaging the property thus acquired for two-thirds and even three-fourths of the purchase price, thereby frequently gaining from 3 to 6 per cent. per annum on the borrowed money. In the same manner building sites are frequently bought by carpenters, bricklayers, and others acquainted with house-building, and immediately mortgaged to defray the cost of building houses upon them, which houses are again mortgaged, even before they are finished, for the purpose of engaging in other enterprises of a similar nature. A great deal of money has been made in this way of late years, owing to the circumstance that the number of habitable houses in the larger towns was quite insufficient to meet the requirements of a continually increasing population. This kind of speculation has, however, been carried on to such an excess that the supply at the present moment exceeds the demand, causing the ruin of several speculators. Another kind of mortgage which prevails extensively in this country is the mortgaging or pledging of personal or movable property, as merchandise of every description, and last, not least, bonds issued by various Governments and companies. As regards merchandise the system is as follows: A merchant imports a quantity of (say) tobacco, but seeing no chance at the moment of realizing a profit, causes the same to be warehoused in the Government bonded docks, or in stores belonging to one of the accredited institutions for that purpose, called *veems*. When the goods are warehoused the merchant obtains a certificate thereof, describing the nature, marks, numbers, weights, &c., which certificate is transferable. The goods remain in the store until they are claimed by the eventual holder of the certificate, so that this document is, as it were, a title deed. Should the market continue low, and the merchant in the mean time want part of the money represented by the said goods for other purposes, he can borrow money on the certificate (which is then given as security) at the rate of interest fixed for such loans, and which varies in proportion to the rate of discount of bills. The system of loan contracts or mortgages on stocks is somewhat different, as the pledged securities are not placed in the hands of a third party, but remain in possession of him who advances the money, and who has the right to sell the securities if the borrower does not supply additional stock whenever their market value is so much reduced that they do not represent 10 per cent. more than the money advanced. This kind of mortgage is sometimes carried on to an enormous extent, and frequently ruins a number of speculators when the market prices of stocks fall so much and so rapidly that the money-borrower is no longer able to supply the deficiency. The practice of borrowing money on mortgage has become quite general, and parties who in former years were altogether averse to it resort to it now without the least hesitation. There are a number of banks which make it their exclusive business to loan money on mortgages, four of them having been started within the last year or two—two in Amsterdam, one in Rotterdam, and one at The Hague.

I here subjoin a tabular statement showing the number and amount of mortgages recorded in the Netherlands from 1866 to 1878, inclusive, viz:*

Since 1878, or during the past four years, there has been a further and very large increase in the number and amount of mortgages recorded.

* Tabulated statement not received.

I have just ascertained that in 1879 the number was 31,007, amounting to 119,801,000 florins; and in 1880, 31,819, amounting to 118,600,000 florins.

When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

That parties having once failed can resume again is perhaps most conclusively shown by stating that there are a great many now in business throughout the country who failed not only once but more than once. But in each case, and before such persons can resume, certain laws provided for and governing such matters must be complied with. To effect this forms the only obstacle interposed to resumption. But as it is represented that the practice and proceedings of the courts, under the existing laws on the subject, are extremely tedious and very expensive, creditors avoid the courts as much as possible, preferring settlements outside of court, thus often saving much time, and thereby preventing a great part of the assets being exhausted by costs. This would go to show that the obstacles to resumption are far from being insurmountable, but as the greater number of failures are unimportant, involving only small liabilities, the injuries resulting therefrom, either material or moral, are not very great. It must, however, be observed that the mere fact of such resumption of business on the part of persons having once failed or been discredited carries with it nothing further than that they can do business again on their own names and with their own capital; for if in the case of a failure it is made to appear that the person neglected his business, was extravagant in his habits, or, worse still, that he has been guilty of any dishonest transactions, he can hardly ever obtain credit again. If a person has been once discredited he remains so, as a rule, until every vestige of the cause which brought him into discredit is removed.

Is bankruptcy frequent?

The term "bankruptcy" (*bunkbreuk*) is, in the law of the Netherlands, confined to the state of the trader who has not only stopped payment and by a sentence of the court been declared to be in a state of failure (*faillissement*), but whose proceedings have been of a nature to render him liable to punishment under the penal code; consequently the term is synonymous with "fraudulent bankruptcy" in the United States. The term "failure" (*faillissement*) in the law of this country is the state of a trader no longer able to meet his engagements, who has, either at his own request or on the requisition of one or more of his creditors, by a sentence of the court been declared in a state of failure; so that this term is equivalent to "simple bankruptcy" in the United States. The said terms are consequently used only in reference to traders or people engaged in business. The state of a non-trader unable to pay his debts, who seeks the protection of the law principally to escape the seizure and execution of his furniture, &c., is called the "state of notorious insolvency" (*staat van kennelijk onvermogen*).

Cases of simple bankruptcy (*faillissement*) may be said to be frequent in the larger commercial towns, and much more uncommon in smaller places. These cases are, however, for the greater part but of little importance, being chiefly confined to small shopkeepers, and causing but little disturbance to business and credit in general. Failures of important commercial houses or of companies are very uncommon, and generally caused through the failure of larger houses in other countries. Such failures do, however, occasionally occur, and then cause great disturbance to trade and credit. When a house of importance is, through misfortune, and not through excessive speculation, compelled

to suspend its payments, an arrangement is frequently come to with its creditors so as to prevent public failure and save expense. Such an arrangement is naturally only possible when all the creditors without exception give their consent. The provisions of the penal code of law on bankruptcy are so severe that it appears extraordinary that so few cases occur in which they are applied. That they could be applied in most cases of failures is certain, as it is but rare that the small traders, among whom the greater part of the failures occur, have acted up to the requirements of law, especially as to book-keeping. But as before remarked, these failures are generally of so little importance that the punishment which would have to be inflicted is much too severe, and these cases are therefore not brought to the knowledge of the public prosecutor. The cases in which non-traders are declared insolvent, or in a state of notorious insolvency, are more uncommon than all, for this reason, that in the few cases in which the law admits it the position of the party is already so desperate that the remedy of the law cannot do much good.

The following statement shows the number of cases of failures in the Netherlands pending on the 1st of January of each year, from 1878 to 1881, inclusive, and the number of new cases occurring during each of the said years, viz:

Year.	Cases pending.	New cases.	Total.
1878	1, 047	530	1, 577
1879	1, 164	616	1, 780
1880	1, 281	642	1, 923
1881	1, 470	747	2, 217

The amount of liabilities involved is not ascertained.

To what extent do relief acts in bankruptcy prevail?

When a trader has been declared to be in a state of failure no execution can from that moment be carried out on his property; neither can he be imprisoned for debts; but, if already imprisoned before his failure, the court can, on his request and after hearing the creditor at whose suit he is imprisoned, order his liberation. A composition with the creditors is allowed and regulated by law. Such composition requires the consent of two-thirds of the creditors representing three-fourths of the amount of his debts, or three-fourths of the creditors representing two-thirds of the debts. Such composition is binding on all the creditors, but must be approved by a sentence of the court. Should a composition not be arrived at, the party is declared insolvent, and his property sold by the trustee for the benefit of his creditors. Rehabilitation, that is, the entire restoration of the bankrupt in his moral and legal integrity, is only possible, 1st, after a composition approved by a sentence of the court, when the court, having the conviction that the party has been unfortunate and acted in all good faith, may by the same sentence order his rehabilitation; and, 2d, by a special sentence of the court at any time, but only when the debtor proves that all his creditors have been satisfied. Should the bankrupt have been sentenced for fraud the court cannot order his rehabilitation.

Are fortunes readily made and lost?

It is an extremely rare occurrence for any one in this country nowadays either to acquire or lose a fortune very suddenly. In commercial pursuits of every description wealth is more or less constantly accumulated, but by a rather slow process.

Circumspection and prudence characterize the business operations and general actions of the Dutch merchants and men of affairs as a rule. Hazardous enterprises of any kind are seldom undertaken; great and risky speculations in articles of commerce are but very rarely ventured upon, and thus it is explained why fortunes once acquired are not often or readily lost again. Considering this matter in connection with the stock and money market, the vast financial transactions and heavy dealings in securities of every sort for which the Amsterdam Bourse is so renowned, it presents some exceptional features. Certain bankers and others have made at different times, and do now occasionally make fortunes easily and quickly, when they happen to be successful in emitting large Government and other loans or in placing stocks or bonds in large amounts of railroad companies or other corporations. So have speculators and investors in American railroad securities often, and quickly, realized fortunes in the past.

During the last eighteen months or so there have been vast sums of money lost, but it does not seem that many have been actually impoverished or ruined thereby.

16. What are the general effects of credit?

The system of credit as now established in this country is said to be well suited to the country's condition, wants, and necessities; it operates rather beneficially than otherwise, and as a generality is fairly satisfactory. Opinions on this point are, however, about as diversified and conflicting as the interests are varied which constitute the entire commerce and trade of the land, and it would be as difficult and impracticable to ascertain them all as to describe them.

D. ECKSTEIN,
Consul.

UNITED STATES CONSULATE,
Amsterdam, October 8, 1883.

FRANCE.

REPORT BY CONSUL, OF RHEIMS, FRISBIE.

Having already acknowledged the receipt of Department circular, dated May 15, 1883, requesting consular officers, for the benefit of the financial and industrial interests of the United States, to prepare reports "on the systems of credits which prevail in, and their relation to and effect on the general prosperity of, the several countries," I now most respectfully submit my report for the consular district of Rheims, as follows:

ANCIENT RHEIMS.

The ancient city of Rheims is the center of the old province of Champagne, and existed in the time of the Gauls. A colossal triumphal arch still stands, which was erected in the time of the Roman occupation. One of the factories established by the Roman Emperors in Belgium for the production of tissues to clothe the Roman armies was at Rheims. The Romans also established a factory of arms, and from the workshops of Rheims were sent forth the ordinary swords and the gilded and damascened weapons by which the imperial sway was maintained. The Emperor Probus in 277 permitted and encouraged the cultivation of the vine in Gaul, and to the present day the two great branches

of industry and commerce which characterize the district of Champagne are wine and woolen manufactures. Industries which have an origin so remote and a history so continuous have traditions peculiar to themselves, and modes of production and manipulation, as well as habits and methods of business, which are the growth of long centuries of time. These are recognized in the business habits and in the intrinsic character of the productions of the merchants and manufacturers of the Champagne region.

There is a quiet, steady-going, old-fashioned adherence to old methods, combined with a very keen appreciation of the exigencies of modern markets, which at once strikes a stranger who is acquainted with the speculative and feverish, and sometimes uncompromising, methods pursued in the great centers of trade of modern origin. In the manufacture of woolen fabrics, for instance, Rheims still adheres to the production of merinos and cashmeres of the finest quality and of the purest materials, leaving to other places the adulteration of woolen goods by the mixture of cotton and other inferior material in the spinning of the yarns.

From these two considerations, the absence of a speculative spirit and the production of a class of superior goods for which there is a steady and regular demand, it will be seen that the whole system of commercial enterprise, terms of negotiation, credit, and accommodation, must take its tone from and reflect both the character of the trade and the trader.

With these limitations the system of credit, and of business generally, is much the same as in other parts of France, and in fact resembles what prevails in nearly all the great producing nations of civilization.

CREDITS IN FRANCE.

The subject of credit may be treated under various phases, such as the stimulus and encouragement it gives to legitimate commerce; the opportunity it affords for speculation; for the contracting of business debts and private debts; the stimulus it affords to all kinds of loans on security and other methods of accommodation; the evils it entails in tempting traders and others to incur obligations leading to embarrassment and failure; and, lastly, the hindrance to success in business arising out of the burdens of taxation and the consequent enhancement of the cost of living, labor, and material.

In reply to the question "Does credit stimulate trade?" it may be answered that as business is at present carried on it could not exist without it. From the smallest retail trader to the largest banking establishment discounting bills and advancing millions, credit is the life-blood of business. Without it many commercial enterprises, great and small alike, would become impossible. The wine and the wool trades in their largest operations depend upon it. Nearly all the wool manufactured in this district is bought at the periodical sales held in London, as the wool produced in Australia, Africa, and South America is nearly all shipped to England and sold by auction at the Wool Exchange. Some idea may be formed of the magnitude of these operations from the fact that the average production of the Rheims looms is 1,000 pieces of 100 meters daily, equal to 110,000 yards. Purchases are made by the merchants far exceeding in amount their disposable capital, and loans are contracted from the local banks and other sources to meet their obligations. The rates at which these advances are made are fixed and form part of the ordinary business of the district. In the wine

trade the conditions are somewhat different. The grapes are grown and the vineyards owned by an immense number of small proprietors, who sell the produce of their vineyards for cash to the great wine firms who manipulate the wine in their own cellars. To pay this army of producers these firms require considerable advances from bankers and others. It is true that there are a few great houses, both in the wine and wool trades, who are able to dispense with advances, but their position is exceptional.

The question naturally arises, Does this state of things lead to a careless and unprincipled contraction of debt on the part of business men and people generally? As a rule, French people are averse to debt and its consequent embarrassment. Private persons have few debts and generally endeavor to avoid contracting them, in order to escape the bad reputation of those who pay irregularly. This follows naturally from the national character and the condition and habits of the people. Thrift pervades every class of the community from the very highest to the lowest in rank. The prevailing idea in almost every French household is economy. The ambition of amassing great fortunes is not common, and among the middle classes especially saving is general; their main object is to retire as soon as a sufficient, but very moderate, competence is secured. Many reasons may be assigned for this, among others the abolition of the law of primogeniture, and the compulsory division of property among the heirs; the younger sons in a family often refusing to make any exertions for their own advancement, because they know their father cannot disinherit them. Then the conscription takes young men into the army at a critical age; they do not settle to fixed business habits before they enter the army, and afterwards are often rendered unfit, or are disinclined to undertake steady work. The low rate of wages and the absence of poor-laws, also render it necessary for all the members of an artisan's or laborer's family who are able to work to do their share for the common maintenance. On the other hand, the people are rendered more self-reliant and careful from the fact that they must depend on their own exertions and the mutual succor which the legal obligations of family life impose. Perhaps another reason may be found in the fact that women very generally take part of the work in retail trades, and the consequent sacrifice of domestic comfort leads them to desire as early an escape as possible from the trammels of business life. Display and extravagance are almost unknown beyond Paris and the very largest provincial towns. At the same time there are no positive restrictions on the contraction of debts. The sumptuary laws were abolished during the time of the first revolution, but both the legislation of France and the usages of commercial life tend to discourage recklessness in business and personal extravagance.

It is quite impossible within the space of a short report to go into the details of commercial regulations, but a fair idea of their general influence on commerce and credit may be obtained from the following brief statement of their main features:

1. A broad distinction is made by the French code between civil and commercial affairs. They are subjected to distinct and separate legislation, and all litigation connected with them is conducted in different courts. Real property and all transactions connected with its purchase, sale, incumbrance, &c., comes within the purview of the civil tribunals. On the other hand, all commercial matters, without any limit of value or magnitude, are dealt with by the commercial tribunals. The judges of these courts are not required to possess any legal or literary qualifications, but are simply elected by the body of traders in the various dis-

tricts where the courts are held. All matters connected with the recovery of debts, creation and dissolution of partnerships, suspensions of payment, management and winding up of bankrupt estates, and in fact everything connected with purely commercial affairs falls within the province of the *tribunal du commerce*. It is alleged that the business of these courts is much more expeditiously and economically dispatched than that of the civil courts, inasmuch as legal technicalities and forms of procedure are largely ignored by the common sense of the judges, who are unpaid officers acting on behalf and in the interest of the general body of traders to which they belong.

2. The regulations as to the formation of companies and partnerships and the supervision exercised by the authorities are very strict, and leave little room for dangerous speculation, mismanagement, and falsification.

3. Interest on loans is regulated by law. The maximum rate for civil loans (mortgages and loans to individuals not in trade) is 5 per cent., while the maximum commercial rate is 6 per cent. This latter rate is chargeable on all overdue accounts, on bills not paid when they become due, and on judgment debts.

4. With reference to bankruptcy, it must be borne in mind that the French law recognizes two distinct forms of inability to meet commercial obligations, viz, simple failing in business (*faillite*) and bankruptcy (*banqueroute*). The former entails the loss of civil rights; the latter is a crime and involves imprisonment. Failure is not common, except in times of commercial crisis, and bankruptcy is rare. Business legislation being in the hands of business men, suspension of payment is not so frequently followed by failure and winding up of affairs as it otherwise would be. Creditors are generally disposed to extend accommodation as far as practicable, and frequently agree to accept a moderate percentage without going to the courts, enabling the debtor to resume his business. When a person, however, passes through the court his political and civil status is forfeited, and he can only recover his rights by appearing before the court with documentary evidence that all his liabilities have been fully discharged, both principal and interest having been paid. Receipted accounts must be produced in court, and such other evidence tendered as the judges may require. The rehabilitation is then published in the newspapers.

Bankruptcy occupies a perfectly distinct position. It is divided into two classes, (a) simple bankruptcy, for which the punishment is from six months' to two years' imprisonment, and (b) fraudulent bankruptcy, punishable by imprisonment with hard labor (*travail forcé*). Simple bankruptcy applies to extravagant or imprudent personal or other expenditure manifestly out of proportion with the resources of the trader, incapacitating him from meeting his business engagements. It differs from ordinary failure in that the latter is the result of losses, misfortune, or want of judgment and bad management in business. Fraudulent bankruptcy applies to the falsification of accounts, improper and dishonest application of funds, &c. The relief obtainable in cases of failure and simple bankruptcy does not apply to private individuals or independent gentlemen. No others but persons actually engaged in commerce, or business of a commercial character, can go through the courts.

It will be evident from the foregoing statements that business transactions in France repose on a comparatively secure basis, arising out of the careful habits of the people, on the one hand, and the legal safeguards with which they are surrounded on the other.

It is next to impossible to form any estimate of the proportion of cash transactions to the whole volume of business, but it may be taken for granted that the former are mainly confined to dealings in the prime necessities of life, and such bargains as capitalists find it advantageous to make with producers needing prompt payment. An almost invariable system of term payment is adopted all over the country, which effectually prevents the abuse of credit. When goods are sold and dispatched to the buyer a bill is drawn upon him (usually at four months), and immediately discounted and put into circulation. Purchasers who might not be exact in remitting at the proper time take care to be ready when an agent of the local bank presents the bill for payment.

Losses are not heavy, and failures generally result in a fair percentage of dividend. There has, for instance, been a long depression in the woolen trades. Four failures occurred in Rheims in 1882, with liabilities amounting to about \$400,000; but the dividend was 50 per cent., which may be regarded as the average loss, in cases of suspension and failure, on the capital employed. The failures in 1882 were exceptionally heavy, however, and more than double the ordinary rate.

Credit is very readily given to mechanics and laborers for the necessities of life on short time, the total absence of exemption laws making it quite safe to extend such credit to a limited extent. For furniture and household requirements, there have been established of late years houses of business, managed almost entirely and exclusively by Jews, for supplying the working classes, payment being by weekly or monthly installments of 5 to 10 or 20 francs.

Cash buyers here, as nearly everywhere, have enormous advantages. They are better served and at reduced prices. Discount, varying from 2 to 10 per cent., is allowed for prompt payment. A striking illustration of this is furnished by the single item of bottles, which are of course manufactured in immense quantities for the champagne houses. The usual arrangement is that the bottles are supplied in the spring of one year and paid for in the autumn of the next, *i. e.*, they are sent in for the wine made in the former year, and bottled in the spring and paid for when the wine is ready for the market. If paid for on delivery 17 per cent. discount is allowed, or 1 per cent. per month for every month payment precedes the following September, when the payment is due by limitation.

Cash is generally paid for articles of prime necessity, such as produce and many kinds of raw material. Grain, beet-root (for manufacturing sugar), crops in general, wool, and manufactured goods, such as sugar, merinos, &c., are largely sold for cash. Contracts for building are generally made on condition of advances as the work progresses. Machinery is usually paid for in installments, one-third in advance when the order is given, one-third during construction, and the last third on delivery.

The evils sometimes attendant on credit are not conspicuous in this region of France. That they do exist to a certain extent, and lead to those usurious transactions which are more or less ruinous to those involved in them, there can be no question. In every community there is a residuum which resorts to credit when all resources have failed and the last stage of ruin has been reached. Tradesmen who have become more and more deeply involved in losing enterprises, workmen and laborers reduced by various circumstances to poverty, and frequently young men of family (so called) who cannot otherwise obtain the means of indulgence in expensive and dissipated habits, resort to credit and

usury as their only hope, and thus exemplify the evils which often arise from abusing what in its proper place is the motive power of legitimate commerce.

Mortgages are very common both in the towns and in the agricultural districts. This method of borrowing on security is somewhat different in France to that which obtains where English law and usage are followed, as in the United States, to a certain extent. In England a mortgage is a transfer to the mortgagee with a right of redemption on the part of the mortgagor. The original title passes into the hands of the lender. In France a mortgage (*hypothèque*) is a simple lien on the property, giving the lender the right to seize and sell if the interest is not duly paid. In the towns buildings are erected by contractors, who borrow on the security of the property in proportion as the work advances. Farmers and the industrial classes avail themselves very largely of this means of acquiring property. So strong is the desire to possess even the smallest plot of land, and erect upon it a dwelling, that cases have been known of seemingly destitute persons begging systematically and perseveringly until they obtained the means for purchasing land and building a cottage. It may be taken for granted that a Frenchman or a Frenchwoman will save something out of earnings, however small those earnings may be.

Fortunes are not quickly made as in countries where there is more push and speculative energy. But on the other hand they are very rarely lost. Slowly built up and carefully managed, they are being continually divided among the various members of the families whose leading members have amassed them, and frequently form the starting point for new acquisitions.

I have considered that this report would not be complete without some reference to what may be considered as the hindrances to commerce, which take the form of taxation imposed on raw materials, on food produced in the country, on food imported from other countries, and other imports which all tend to increase the cost of labor and expense of production.

TAXATION IN FRANCE.

Taxation in France is heavy. It is levied in the form of direct taxes, viz, personal tax on every head of a house or person occupying an apartment, furniture tax, taxes on property (doors and windows in houses, &c.), trade licenses, &c. There is no income tax, but a duty is levied on all dividends and incomes from stocks, shares, &c., and a stamp duty must be paid and attached to every conceivable form of commercial paper, legal documents, receipts, acknowledgments, and extending even to bills and advertisements placed upon bill-boards and walls, &c.

The direct taxes levied in the towns are divided into three portions. One portion is devoted to the municipality, or commune; a second portion goes to the department, and is expended by the general council, presided over by the prefect; and the third portion goes to the central Government.

Indirect taxation is also multiform, and comprises the excise, levied principally upon wines, spirits, tobacco, home-manufactured sugar (from beet-root), &c.

Customs, levied on almost everything imported from foreign countries. Some articles are prohibited, such as tobacco and matches, for the manufacture of which the Government has a monopoly. The duties are very

high on eatables. Sugar, for instance, pays a duty almost equal to its value; tea, coffee, chocolate, and groceries generally, pay high imposts.

Octroi, duties levied by the towns on food and articles of consumption generally; also on materials used in building and trade generally. The rural population who reside beyond the limits of the municipalities are exempt from *octroi* duties. The duties on wines and spirits have been greatly increased since the war with Germany, and the regulations for collecting them are very strict and are very rigidly enforced. A cask of wine cannot be removed from one cellar to another in the same city without paying a heavy duty, and a permit must be obtained from the excise, which prescribes the exact time at which the removal is to take place. A wine merchant cannot deliver more than two bottles of wine to a customer without a permit, for which a fee is charged.

The general effect on business and property of the heavy and oppressive taxation must be more or less restrictive and injurious to trade. But the immense national debt and the great expense of the army and navy render such taxation imperative. Efforts are being made to stimulate certain industries, such as sugar-refining, &c., and to create a more efficient merchant marine by a system of bounties, but the tax-payer has to pay the bounty in addition to the duty on the article he consumes, all of which is already excessively oppressive.

An immense revenue is secured by the general Government from succession dues. The percentage is high, and the compulsory division of property after each death, as well as the retransfer required when joint owners are reduced in number by death or withdrawal, brings enormous sums to the treasury. It is calculated that the value of the whole property of the country passes into the hands of the Government at least once every fifty years, and of the truth of this there can be no doubt.

AMERICAN CONSULS AND CHAMBERS OF COMMERCE.

I have now brought my report to a point where I think I may close, with the hope that I have quite fully and clearly answered the requirements of the Department in the premises, or in at least so far as my opportunities permit. I also indulge the hope that what I have been able to say on the subject presented will meet the anticipations of the gentlemen composing the Board of Trade of Scranton, Pa., who have complimented the consular service in their representations to the Department that consular reports on the systems of credits, &c., prevailing in the different countries and districts would be of value, and would be greatly appreciated by the financial and industrial interests of the United States. This compliment, coming as it does from a class of the highest and most earnest gentlemen of the country, is an earnest assurance of the proficiency and progress which have taken place in the consular service during the past few years under the progressive management of the Department, and I have no doubt it will be as highly and thankfully appreciated by my colleagues as it is by myself.

JOHN L. FRISBIE,
Consul.

UNITED STATES CONSULATE,
Rheims, France, July 21, 1883.

BORDEAUX.

REPORT BY CONSUL ROOSEVELT.

1. Does credit stimulate trade?

It is not only a stimulant, but the very soul of commerce, which could not exist without the facilities granted to tradesmen to pay for the goods bought with the price of the sales effected subsequently. Credit is the basis of all speculations; it induces tradesmen to purchase large amounts of merchandise with the hope of their bargain yielding a profit before the bill becomes due, which could not be realized if they had to pay cash; for in this case they would be limited by the amount of money they can dispose of; whereas, on purchasing and reselling without taking delivery, they can speculate at large, requiring to give security only for the approximate amount of the loss that may be incurred as a result of the market fluctuations.

2. Are people averse to contracting debts?

Yes, for private debts; no, for commercial debts, which are contracted with the hope of a subsequent profit; commercial transactions being made on credit, all tradesmen contract debts in the shape of accepted bills or promissory notes, and do not consider such as debts.

3. Are there any sumptuary laws or regulations concerning credits?

There are none.

4. To what extent does credit prevail in proportion to the volume of business?

The great majority of commercial affairs are negotiated on credit, except the purchases of the produce of the soil.

5. To what extent do losses incidental to business prevail?

It seems impossible to give any decided answer to this question, as no statistics can be obtained, and as commercial business is intimately connected with the financial situation of persons—bankers and others—who, though not being in trade, may, by a bankruptcy, ruin their customers and cause many others to feel the rebound.

6. Do tradesmen extend credit to mechanics and laborers readily?

Yes.

7. What advantages have cash buyers?

A discount which varies from 2 to 6 per cent., according to the nature of the goods.

8. Is interest demanded on time accounts?

Yes.

9. With what classes are the evils of credit most conspicuous?

Generally speaking, there are no apparent evils arising from credit here.

10. What kind of produce or manufactured articles command cash returns?

As a general rule the grower is paid cash and the manufacturer on account.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Landed proprietors, to a great extent, mortgage their properties; house owners in towns and cities begin to follow the same course, but traders seldom borrow on mortgage; they may occasionally take a loan guaranteed by their property, but they release themselves from all obligations at the earliest opportunity. The value of the real property constituting the Department of the Gironde (as estimated by the reg-

istration office) for the year 1879 was 1,480,641,145 francs, out of which was to be deducted 120,000,000 for the losses caused by the phylloxera at that time. The difference, 1,360,641,145 francs, may be considered as still being the most approximate valuation of land improved by houses or otherwise, and unimproved in the department, because the falling off of the vineyards is compensated by the increase in number and value of houses and improved property. The amount of mortgages recorded in 1876, as existing on the real property of the department, was 447,489,000 francs, which is nearly one-third of the whole. The amount of mortgages taken in the year 1882 was 63,000,000 francs, or 4.68 per cent. of the total value of the property.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption ?

A person who has failed is prevented from resuming business, both by the law and public opinion, until he has been rehabilitated, which occurs only after he has paid up all his debts. But the most frequent occurrence is that he resumes business in the name of some friend or partner.

13. Is bankruptcy frequent ?

Rather frequent, especially among traders. The number of certificates of bankruptcy awarded every week is six or seven, i. e., one a day.

14. To what extent do relief acts in bankruptcy prevail ?

In the proportion of 1 or 2 per cent.

15. Are fortunes readily made and lost ?

Yes; formerly a fortune was the fruit of a whole life's labor and daily saving. Money was safely invested, and every year added to the family's prosperity. A fortune now is actually the result of speculation; almost everybody deals in merchandise, exchange stock, lands and houses, &c.; those who are favored by chance soon become rich, the others meet with ruin.

17. What are the general effects of credit ?

When credit is given evenly it increases the facility of laying in stock and legitimate speculation, and is most useful and even necessary to enable merchants to purchase largely when produce is abundant and good. It also enables public works to be undertaken.

GEO. W. ROOSEVELT,

Consul.

UNITED STATES CONSULATE,
Bordeaux, August 20, 1883.

LA ROCHELLE.

REPORT BY CONSUL GIFFORD.

Credit is believed by the commercial and industrial classes of this part of France to stimulate business, and it has therefore become fixed in the habits of the people. The agricultural classes alone, living as they do most sparingly and possessing little ambition, show some disinclination to contract debts.

Here, as elsewhere, credit is based on the pecuniary resources of the borrower or on his reputation for honesty and industry. The law in France affords but feeble protection to the creditor against his debtor who is not a licensed merchant constrained to pay his indebtedness by fear of the severe penalties attached to insolvency. It is true that

the law reserves for a creditor one-sixth part of the monthly wages of a debtor who is not a licensed merchant, but in this case, if there is a change of employment or even of workshop by the borrower, the legal proceedings to secure this quota must be recommenced at considerable expense.

The wholesale merchants of the principal business centers of this district almost always make their sales on three or six months' time. The large houses make their transactions payable in thirty days; discount 2, sometimes 3, per cent. While substantially all the wholesale business is thus done on credit, it is estimated that only about one-quarter of the retail transactions are on other than a cash basis.

The wholesale merchants estimate their annual loss by bad debts at 1 per cent. of the sales; the losses of the retail merchants are only one-half as great on account of the relatively small part of their business done on credit.

Credit is given without much hesitation to workingmen and artisans whose reputation for integrity offers sufficient guaranty of repayment, but it is considered dangerous to make large advances of this kind.

In the wholesale business a discount of 2 or 3 per cent. is allowed to buyers for cash, the amount of the discount depending on the nature of the merchandise.

Manufacturers and wholesale merchants making large sales on from thirty to ninety days' time demand one-half per cent. interest for each month that payment is delayed beyond the date fixed. This custom does not exist in the retail business.

The credit system seems to operate to the least advantage with the working classes and with the small dealers in town and country.

Cash payment is the rule for all articles of prime necessity, such as provisions and clothing.

Owners of buildings in the towns and of real estate in the country easily borrow money on mortgages, borrowing generally from persons charged with making investments on long time.

A person who has failed may go on with his business by virtue of an arrangement called a *concordat*, to which all of his creditors shall have subscribed. But if declared insolvent, and unable to obtain of his creditors the advantage of a *concordat*, he cannot continue in business in his own name, and finds himself very gravely compromised. He suffers not only the loss of personal rights, but is deprived of the management of his property. His political rights are suspended; he cannot vote, and is ineligible to membership in the Chamber of Deputies, the departmental and municipal councils, tribunal of commerce, and council of prud'hommes. He can be neither a stock nor merchandise broker. In short, he is declared incapable of fulfilling any of those functions for which the law requires that the incumbent shall be in the enjoyment of his civil rights. About one-half of the persons who become insolvent are able to enjoy the benefits of the arrangement with the creditors above referred to. The *concordat* is not generally refused where the tribunal of commerce finds that there has been misfortune in business, but no lack of good faith and especially no fraud in the accounts. The person interested is thus restored to the enjoyment of his civil and political rights.

Of the two thousand annual failures in all France, a number somewhat less than proportionate to its population happen in this district, the people being largely engaged in agriculture.

The number of insolvent debtors who afterwards pay their debts in full is very small; these cases not exceeding one in a thousand.

With rare exceptions fortunes are acquired very slowly—the larger ones by two or three successive generations; but, on the other hand, those who possess wealth are generally able to preserve it for themselves and their descendants.

It is estimated that three-fourths of all industrial and commercial enterprises owe their existence to the credit system, and would not otherwise be undertaken.

GEORGE GIFFORD,
Consul.

UNITED STATES CONSULATE,
La Rochelle, September 29, 1883.

MARSEILLES.

REPORT BY VICE-CONSUL MARTIN.

BUSINESS HABITS OF THE FRENCH.

The thrifty and frugal spirit characteristic of the French nation, the fear of losing their possessions, however small, largely predominant over any ambition of acquiring rapid and immense wealth, are deeply impressed in the commercial relations and customs of the people.

As a rule, transactions in France are marked by extreme caution, bordering upon a lack of enterprise, manifested by a general loathness to unreserved speculation and to any extensive dispensation of credit in the most liberal meaning of the word.

If banking establishments be admitted as the depositories and instruments of circulation of a country's wealth to give the criterion of business ways and manners, we find at once in their regulations unexceptionable evidence of the position above advanced.

All the banks in France that are worthy of the name have in their by-laws a clause which positively prohibits all overdrafts or advances unless the amount be covered by deposits of securities of equal or superior value. These securities consist of mortgages on real estate or bonds, state funds or other stock of well-established standing. Merchandise is also accepted at rates varying according to its nature, but in all cases sufficient to preclude any risk of loss accruing from a sale by auction, which, under the French law, is the only way in which the creditor can dispose of the securities of the debt. This sale by auction is authorized by the court in all cases where the debt is not paid within eight days after maturity, under the sole condition that the debtor be duly notified.

The same wariness is exercised in that most important branch of banking operations, the discounting of drafts or other commercial bills. As a rule, drafts are not discounted. Exception is only made when the draft is accepted or indorsed by some well-known and perfectly sound firm; or, again, when the drawer has sufficient funds deposited in the bank to cover the amount. In all other cases drafts are only taken "for collection," involving serious loss of time, without procuring any pecuniary advantage, as the commission charged for collection is nearly the same as the usual rate of discount. This strictness on the part of banking establishments is so well known at this place, that all merchants having dealings with banks are careful to have deposits proportionate to the importance of their business, and the so-called "institutions of credit,"

as they are termed in France, are in fact in most, if not in all, cases the recipients instead of being the dispensers of credit.

MARSEILLES A CASH MARKET.

The natural aversion to credit is made manifest in the usage regulating the trade at Marseilles. Nearly all the merchandise dealt in on this market commands cash returns, and on such as is payable on time, notes of hand or promissory notes are generally demanded upon delivery of the goods. This is the prevailing mode of settlement for raw sugar, lumber, which are payable at four months; oleaginous seeds, wool, and wine at three months; soap, at sixty days. A discount varying from 1 to 3 per cent. is generally allowed on cash payments when established by the custom of the market, or when the purchaser foregoes the privilege of paying on time. Still, no discount is allowed on seed oils, petroleum, grease, lard, hides, leather, coal, and other articles, all of which come under the head of goods commanding cash returns.

It must be understood that these customs, although established by usage, are not binding. The leading merchants of the place take pride in demanding the benefits of such usage as well as in complying with its rules; but the vendor can always make his own terms, and frequently exacts payment against delivery of the goods without even granting the delay of ten days, which, according to the custom of the place, is implied in the meaning of "cash payment."

It cannot be denied that this closeness of credit hampers to a great extent the improvement of trade and commercial enterprise at this port; on the other hand, it marks the transactions of the community with a strong character of safety in the higher classes of business men.

BUSINESS FAILURES IN MARSEILLES AND IN ALL FRANCE.

The number of failures, which averages 300 per annum, in a population of little over 300,000 souls, is high, to be sure, but the sufferers are mainly the bankrupts themselves, who, as a rule, belong to the retailing class, and, for the very reason that they cannot obtain credit, fail with comparatively small liabilities.

The president of the tribunal of commerce, at the opening of the session, touched upon this subject in the following words:

The number of failures (316), I am sorry to say, is nearly the same as last year. This condition of failures, growing constantly worse, has been continually weighing on my mind. I declare to-day my inability to point out the causes. One of the reasons may be the laxity of loans made upon deposits of merchandise by certain interloping firms, which, through burdensome charges, soon absorb the value of the pawn and leave no compensation to the depositor or his creditors. The failures recorded by our tribunal bear mostly upon the retail trade, which induces me to repeat what I have so often said, that Marseilles is not fit by its position for that class of trade.

This last remark is strikingly accurate. Foreigners do not reside in Marseilles, and those engaged in the retail trade understand that they must make their living on the community alone. To make the situation still worse, there is here a certain class of people whose only ambition is to become "shopkeepers." As soon as they have amassed enough money to rent a shop and buy up a small stock of goods they launch into any kind of business, of which, in many cases, they are entirely ignorant, and have to face at once the competition of those already established in the same trade. In order to attract customers they are led to extend credit where they cannot obtain it themselves, and are

soon reduced to borrowing money by depositing the stock of merchandise, which is all they possess. If they find themselves unable to redeem their deposit or meet their liabilities at maturity they have no respite to hope for. Their creditor summons them before the tribunal of commerce, and if the court does not find sufficient ground upon which to grant a delay, or if the debt is represented by a note of hand on which, under the law, no delay can be granted (and for this very reason the mode of payment most in force for merchandise sold on time), the debtor is forthwith declared a bankrupt. The tribunal appoints without delay one of the "syndics," or assignees, who, under special commission, have no other business than that of managing the estates of bankrupts, and delegates one of the judges to examine summarily the situation and books of the bankrupt. Upon a report presented by them, the tribunal issues a decree of "*excusabilité*" or "*non-excusabilité*." In the first case the bankrupt is left free; in the other he is incarcerated; in both, his whole estate is seized and placed under the sole control of the syndic. Within a reasonable time, fixed by the judge, the creditors are convened, and if the assets prove sufficient to cover the amount of costs and the privileged debts (as such the French law admits the rent of rooms and offices occupied by the bankrupt, the wages of workmen for one month and of clerks for six months, the total property of the wife), are consulted upon the point of granting to the bankrupt a "concordat" or composition. A majority of the creditors, representing three-quarters of the liabilities, make the terms of the composition agreed upon binding for all the others. When the concordat has been homologated by the tribunal of commerce the bankrupt is replaced in the free management of his business and property under no other obligation than that of meeting the installments set forth in the covenant. If he fulfills these obligations he generally obtains the same amount of credit that he enjoyed prior to his discomfiture; that is, very limited.

If, on the contrary, the assets are not sufficient, as above stated, or the creditors refuse to enter into any agreement, the syndic remains in full charge of the bankrupt's property, of which he is, with the approval of the judge delegate, to dispose to the best advantage of all concerned, collecting debts due to the bankrupt, disputing unfounded claims, and causing to be sold by auction all or part of the property in his charge. In the meanwhile, certain sums are allowed to the bankrupt from the assets, sufficient to maintain him and his family, and certain articles of furniture, considered as essential to life, cannot be taken away from him. A bankrupt of this class is forbidden access on 'change, and cannot resume business in his own name until he pays the whole amount of his liabilities, with interest and costs thereon.

A few figures taken from the statistics of failures declared in the course of the year 1882 at Marseilles may be here of interest.

Three hundred and sixteen failures were declared, of which 44 were retracted. Of the remaining 272, 43 were settled by composition. The average of dividends paid amounted to 19 per cent. In 40 failures the creditors refused to come to any agreement, and received an average of 13 per cent. on their credits; in 201 cases the assets were proved insufficient. Only 32 of the number of bankrupts had been previously insolvent.

Only 140 of the total number of 316 bankrupts suspended payment and deposited their balance-sheet of their own accord; the remainder were declared bankrupts upon application from their creditors.

The returns of failures in France for the periods 1871-'75 and 1876-'80 are as follows :

Liabilities amounting to—	1871-'75.	1876-'80.
	<i>Per cent.</i>	<i>Per cent.</i>
\$1,000 and less	10	11
From \$1,000 to \$2,000	17	16
From \$2,000 to \$10,000	48	47
From \$10,000 to \$20,000	12	12
Over \$20,000	13	14

I have endeavored to show that credit at Marseilles is confined within such narrow limits that it may be said not to exist. Of course, money may be obtained, but only upon pledges of unquestionable security, mortgages on real estate in marked preference.

Without stopping to consider whether this state of things is caused by the provisions of the French law, which limits the rate of interest to 5 per cent. on civil and 6 per cent. on commercial transactions, it is no bold assertion to advance that a trading center where no man can exert his commercial abilities or energies beyond the field covered by his sole personal resources, is doomed to slow progress indeed.

It cannot be denied that such has been essentially the case for ages at Marseilles, where even at this day no large fortunes are rapidly acquired, and, on the other hand, none are lost.

Circumstances have favored the growth of this city much more than the exertions of its inhabitants. Of these the conquest of Algeria, the Crimean war, and the opening of the Suez Canal are the most conspicuous.

JOINT-STOCK COMPANIES IN FRANCE.

In my opinion, the favor that joint-stock companies have found with the French public at large has also been to a great extent instrumental in promoting the commercial importance of this port.

The working of these companies is placed under the safeguard of wise provisions of the law. The shares cannot be less than 100 francs for a capital of 200,000 francs, nor less than 500 francs when the capital exceeds that sum.

One-quarter of the nominal capital must be entirely paid up before the company can be incorporated. A reserve fund is maintained by a deduction of 5 per cent. on the amount of the yearly net profits, which is compulsory until the reserve fund is equal to at least one-tenth of the capital. The first board of directors is elected at a meeting where one-half of the shares must be represented; the same number of shares is necessary when any change of the by-laws or other important step is contemplated.

In all cases the shareholders are convened every year to hear a report of the operations of the company and decide upon minor points of interest. The resolutions are not valid unless carried by a majority of the shareholders present at the meeting, where one-quarter of the shares at least must be represented. If this condition should not be fulfilled, the meeting is postponed to some other day, and then is not subjected to this condition, so that the interests of the company may not suffer from the neglect of shareholders to attend the meeting.

Three shareholders are elected every year who are commissioned to inspect the books and accounts and prepare a report on the matter;

these "*commissaires*," as they are called, are allowed constant access to the books, and, if they detect any irregularity, may call of their own authority a general meeting of the shareholders.

The board of directors must own in their own right a number of shares fixed by the statutes of the company. These shares are stamped with a special seal marking that they cannot be sold as long as the director remains in office. A balance-sheet and inventory are prepared every six months and submitted to the commissioners; the directors are responsible for the correctness of these documents, and incur the penalty of the law for any false statement or fraudulent management. The shareholders are only held in the amount of the face value of their shares; a number of them holding one-twentieth of the capital can always delegate one or more amongst them to sue the directors of the company. If three-quarters of the capital are lost at any time, a general meeting must be called at once, and the shareholders consulted on the propriety of ordering a liquidation of the company or an increase of its capital.

A recent disaster which in January, 1882, dealt such a tremendous shock to the financial world, although an exception in its kind, tends to show that all the precautions enacted by law are no infallible protection. But it cannot detract much from the immense good done in France by many a large company worked on the same system. All the powerful steamship companies, for instance, that have done so much toward the advance of French shipping and trade are joint-stock companies. No doubt can be entertained that without the help of the capital condensed from many sources in the hands of able companies the system of subsidies to navigation recently inaugurated in France would have found in the inability or reluctance of private enterprise an insuperable obstacle, and instead of achieving the well-known success of nearly doubling the French floating property in less than three years, would have failed to stimulate in any perceptible degree the shipping interest of the country.

In many other branches of commerce and industry similar companies have rendered notable services. Confining my observations to what transpires at this port, I may mention two companies that undertook the refining of sugar, and gave to that branch of industry at Marseilles an importance that would have been entirely beyond the reach of private capital, and thereby brought to the front, in this market, the sugar trade, in which thousands now make a living. More recently, many of the leading merchants and manufacturers have formed and consolidated companies on the joint-stock system: the "*Sociétés des Tanneries, &c., Marseillaises*," the flour mills, the cement factories, the oil and soap factories, and many others have found no difficulty in disposing of their shares.

Taken in a general way, the system has many good points to recommend it, among which that of distributing among a larger number of people the profits as well as the losses of the enterprise.

In Marseilles two reasons commend it most particularly. One is the spirit of economy first alluded to, which has for effect the dissemination of the wealth of the country, where extreme poverty is as rare as immense riches; the other is that which I have tried to elucidate, viz, that, owing to the closeness of credit, capital, and large capital alone, commands success.

When the joint-stock companies make a successful "appeal to credit" in issuing shares or bonds, they attain a doubly creditable object. They reunite scattered money that would otherwise remain unproductive, and

by throwing into circulation a combined capital, the separate parts of which would be powerless, stimulate trade and give it a force and impulsion by which the country at large abundantly profits.

J. S. MARTIN, JR.,

Vice and Deputy Consul.

UNITED STATES CONSULATE,

Marseilles, August 14, 1883.

NICE.

REPORT BY CONSUL ROWLAND.

1. Does credit stimulate trade?

It can be proved that credit stimulates to a large degree the trade here, extending commercial activity, and allowing many whose own resources are insufficient to engage in business.

2. Are people averse to contracting debts?

Generally not so much as would be desirable. Ambition, and often luxury, cause merchants to contract debts outside of the true needs of their trade.

3. Are there any sumptuary laws or regulations concerning credits?

There are, properly called, no sumptuary laws or regulations concerning credits.

4. To what extent does credit prevail in proportion to the volume of business?

Cash is paid in the retail business, and for some articles sold at wholesale, such as wine, oil, cattle, &c. In the mass of business the credit system is employed, at least, to three-quarters of the volume of business done.

5. To what extent do losses incidental to business prevail?

From 25 to 30 per cent. of the bulk of business.

6. Do tradesmen extend credit to mechanics and laborers readily?

They do not.

7. What advantage have cash buyers?

Cash buyers have the benefit of a discount that varies from 1 to 3 per cent., and ordinarily they get goods at more moderate terms.

8. Is interest demanded on time accounts?

No interest is demanded for the first six months, but after that, generally, and per agreement, it is asked for.

9. With what classes are the evils of credit most injurious?

The small merchants, and newly started hotels, particularly the last named.

10. What kind of produce or manufactured articles command cash returns?

In the wholesale business, olive oil and cattle; also the small provision trade. Manufactured articles command a short credit, as per agreement.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Yes; and four-fifths to speculators in landed property.

12. When a person in business has once failed, or been discredited, can he resume, and what are the obstacles to such resumption?

He can, after paying all his indebtedness, with interest; frequently it happens that he is released from part of his indebtedness and is enabled to resume.

13. Is bankruptcy frequent?

It is very frequent.

14. To what extent do relief acts in bankruptcy prevail?

To a considerable extent. In 1882 fifty-six bankruptcies were settled in Nice; in the same year sixty-five declarations of bankruptcy were made by the tribunal of commerce.

15. Are fortunes readily made and lost?

As a rule, fortunes patiently made are few; considering the large number of merchants and speculators engaged in business, rarely are fortunes made by selling the product of the soil, viz, oil and oranges.

16. What are the effects of credit?

To a large extent it stimulates trade, and when granted to well-meaning classes for legitimate purposes is beneficial. On the other hand, the too free use of credit is harmful, the same in this as in any other place.

W. F. ROWLAND,
Consul.

UNITED STATES CONSULATE,
Nice, July 6, 1883.

ROUEN.

REPORT BY CONSUL WILLIAMS.

1. Does credit stimulate trade?

Trade cannot exist without credit; but it should be judiciously regulated and not extended to a very great length of time, as otherwise people would engage too generally in business without possessing sufficient capital of their own, and in case of misfortune or failures would meet with total loss.

2. Are people averse to contracting debts?

The French people like to save money; dislike debts or debtors.

3. Are there any sumptuary laws concerning credit?

The only law about credit is that the interest can never exceed 6 per cent.

4. To what extent does credit prevail in proportion to the amount of business?

On an average, a man possessing \$1,000 can readily obtain credit for \$3,000. Therefore credit may be considered as three-fourths of the total amount of business.

5. To what amount do losses incidental to business prevail?

A careful merchant must calculate that on his sale prices he must lose about $7\frac{1}{2}$ per cent. on credits granted.

6. Do tradesmen extend credit to mechanics and laborers readily?

Yes, too readily; and many shopkeepers agree upon weekly and monthly payments.

7. What advantage have cash buyers?

A very insufficient one. If merchants would consider the benefit of cash payments 10 per cent. would not be too great discount to the buyer for ready money; but the discount generally allowed by French tradesmen is 2 per cent., and on rare occasions 5 per cent.

8. Is interest demanded on time accounts?

Yes, at 6 per cent.; but there is a mode of extracting more from the debtor. Merchants and bankers settle accounts quarterly, and charge

a commission of one-quarter or one-half per cent. on the balance, making the poor debtor pay 7 or 8 per cent. per annum.

9. With what classes are the evils of credit most conspicuous?

With the working classes. Many houses sell goods of all kinds on weekly or monthly payments, thus inducing poor people to buy more than they can pay for, and if any illness, suspension of work, or other misfortune occurs, then there is a stoppage on the payments, and the life of the purchaser is never free from the pressure of the vender. There is also the famous "hire system," which causes the payment of three times the value for articles.

10. What kind of manufactured articles command cash returns?

Tulle houses are the only, or nearly the only, ones in trade in which credit is not allowed. All perishable or edible goods should be paid for in cash, and are generally so paid, as no lien exists for the security of the vender.

11. Are credits of record (mortgages and judgments) prevalent; and, if so, among what classes?

Such credits are rarely employed, and are the specialty of a class who, having a small sum of ready money, are induced by notaries to buy a plot of ground and build a house thereon, and, the funds being exhausted before the house is completed, the notary furnishes the money for the unpaid portion of the builder's bill and takes a mortgage upon the premises.

12. When a person has once failed, or been discredited, can he resume, and what are the obstacles to such resumption?

If he has failed evidently through misfortune, and not through misconduct or bad character, he can reinstate himself in business, but will even then labor under difficulties and suffer from want of confidence. Seldom has any one who has failed succeeded in the same district or country.

13. Is bankruptcy frequent?

No; the laws on the subject in France are very severe, and this precaution renders bankruptcy or fraudulent failure quite exceptional.

14. To what extent do relief acts in bankruptcy prevail?

A bankrupt can seldom resume business in France under his own name or for his own account.

15. Are fortunes readily made and lost?

No. French people are not speculative, and generally prefer small fortunes slowly accumulated to great risks incidental to acquiring rapid or large fortunes. After realizing a sufficient sum to yield a moderate income, they prefer to retire from business rather than incur the risk of losing all that they had toiled for.

16. What is the general effect of credit?

Credit wisely asked and granted can be considered as the life of trade and basis of business. Unfortunately the public ask for more than reasonable credit, and it is granted without sufficient information of the standing of the debtors. If more discrimination and a closer scrutiny were given to the subject of granting credits, they would inure to the advantage of debtor and creditor, and prevent the former from incurring obligations beyond his real force and income.

CHAS. P. WILLIAMS,

Consul.

UNITED STATES CONSULATE,
Rouen, France, July 12, 1883.

SWITZERLAND.

BERNE.

REPORT BY CONSUL-GENERAL CRAMER.

I have the honor to acknowledge the receipt of your circular-dispatch of May 15, asking for information concerning the system of credit which prevails in this consular district, and its effect on the general prosperity thereof, and submitting a series of interrogatories in relation to this subject, replies to which are requested.

Before answering, *seriatim*, these interrogatories, I beg to observe that the canton of Berne is largely an agricultural and cattle-raising district.

With the exception of the manufacture of watches in the Bernese Jura, and the manufacture and export of cheese in the Emmenthal Valley, there is little industry and foreign commerce in this canton. Hence the system of credit in vogue here possesses, to some extent at least, a peculiar form.

1. Does credit stimulate trade?

In general, credit stimulates trade; but it also intensifies, if it does not hasten, financial crises.

2. Are people averse to contracting debts?

No; on the contrary, to give and to take credit is here carried on to such an extent that general prosperity is already injured thereby, and will probably be injured still more in future.

The credit system is extensively used not only in trade and commerce, but even in the purchase of the necessities of life from grocers, butchers, bakers, tailors, shoemakers, and even among employers and employes. Monthly, quarterly, semi-annual, or annual settlements are the rule, instead of cash payments.

This state of things injures especially the small traders, and affords a great temptation to the laboring classes to spend their earnings for luxuries and amusements.

The same is true in regard to real estate, both in cities and in the country.

Large parts thereof are heavily mortgaged, so that in consequence of several years of partial failure of the crops the state of agriculture is in a precarious condition, the proceeds thereof being scarcely sufficient to support the parties and to enable them to pay the interest on their debts.

The same is true with reference to the erection of large and expensive hotels and other buildings. The granting of extensive credits to speculators in these matters has brought financial ruin upon bank-institutions and many private parties. This whole matter was carried on to excess.

3. Are there any sumptuary laws or regulations concerning credits?

There are no laws regulating credits.

4. To what extent does credit prevail in proportion to the volume of business?

As has already been indicated under 2, the credit system in several branches of business is largely in excess in proportion to the volume of business, while in reference to the manufacture and export of watches and of cheese the proportion is said to be a normal one.

5. To what extent do losses incidental to business prevail?

At the present time losses incidental to business are abnormally large, but this is to be accounted for from the fact that in prosperous times several branches of business have been extended beyond all reasonable limits, especially in regard to the building of hotels and houses in new quarters of different cities.

6. Do tradesmen extend credit to mechanics and laborers?

Yes, as already stated under 2.

7. What advantage have cash buyers?

The advantage consists generally in the granting of from 2 to 5 per cent. discount of the price of articles.

8. Is interest demanded on time accounts?

In ordinary commercial transactions this is not generally the case, unless these accounts have a long time to run.

9. With what classes are the evils of credit most conspicuous?

The reply to this question is already furnished under 2.

10. What kind of produce or manufactured articles command cash returns?

This question in its present form can scarcely be answered. There are scarcely any articles that cannot be purchased on credit.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

The granting of credit upon mortgages, &c., is very prevalent here among real-estate holders and farmers, so much so as to cause grave anxiety among capitalists.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

When a person has failed, by which he loses his civil rights, he may rehabilitate himself by satisfying all his creditors, which is generally done when the latter grant a reasonable reduction of the entire amount.

13. Is bankruptcy frequent?

In consequence of overspeculation in real estate and the granting of extensive credits, bankruptcy is rather frequent.

14. To what extent do relief acts in bankruptcy prevail?

There are no special relief acts in existence. If a bankrupt person cannot carry on his business in the name of his wife or in any other legal form the local authorities must come to his relief, *i. e.*, aid in supporting him and his family.

15. Are fortunes readily made and lost?

At the present time the general condition of commercial affairs is such that it is exceedingly difficult to gain a fortune by trading, and not infrequently long-established fortunes become heavily involved.

16. What are the general effects of credit?

For trade and commerce, if they rest on a reasonable basis, credit is a valuable factor; but in enterprises of a precarious nature it hastens financial ruin.

Among small traders the effect of credit is injurious, because it withdraws from the seller the necessary means of placing his business on a solid basis and of enlarging the same, while it prevents the purchaser from establishing an equilibrium between his income and his expenditures.

M. J. CRAMER,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Berne, July 12, 1883.

ST. GALL.

REPORT BY CONSUL BEAUCHAMP.

In acknowledging the receipt of Department circular dated May 15, 1883, submitting certain interrogatories for answers, I have the honor to state that the question of credits being one which might be treated differently by different individuals, it occurred to me that the most feasible plan to arrive at a true solution of the subject as to the methods prevailing in this commercial center would be to address a circular-letter to prominent financial and commercial individuals in St. Gall most likely to be well informed on such matters, and the result has been satisfactory, as most all those to whom letters were addressed have taken considerable pains to answer the interrogatories propounded.

The following are the condensed answers obtained from the above-mentioned authority :

1. Does credit stimulate trade?

In the abstract, credit naturally does stimulate trade, but when it is extended to the degree it is here it is like a two-edged sword, cutting both ways. The loose system of credits prevailing in the commercial district of St. Gall is considered reprehensible to the sound and healthful progress of commerce. Credit is too frequently demanded and too easily granted without a sufficient guarantee to *bona fide* transactions; the result is that disturbances in trade circles are frequent. When the doors to unlimited credit stand so wide ajar, people are apt to enter into much larger transactions than their resources on sound business principles would permit of, and when once entangled in the net of indebtedness invariably try to avert failure by contracting further debts and usually land in bankruptcy. These failures naturally affect not only the parties directly interested but the entire trade circle; that is to say, the lending product of commerce is more easily calculated into net profits when the bankrupts shall have been disposed of and the business reckoned on a clear basis. While the system of credits prevailing here is not as perfect as could be desired, yet it is plain that a large body of trades-people (or shopkeepers) would be unable to do business without it. The bulk of trade in this commercial district is divided into two distinct classes: the one supplies the foreign market, the other relates to home trade. The former usually represents thirty days, or cash, and the latter a six months' credit.

2. Are people averse to contracting debts?

No; on the contrary, it is claimed they contract them with the suavity of a Turk, and regard them as a luxury, for debts are considered a good "set off" against the tax collector. If an owner of a farm or house and lot valued at 10,000 francs can manage to "blanket" the realty with a mortgage covering the above valuation he is freed from taxation, while if the property was clear of incumbrances, which is the delight of most American realty owners, it would be subject to a tax on its full value. It is asserted, and I have been informed by reliable persons that it is very common among large property holders to resort to this method of evasion in their tax returns, while their bank and stock accounts would more than doubly balance the incumbrances. It appears from this that England is not alone of the opinion that "debt represents wealth," but that Switzerland is heartily in accord with her.

3. Are there any sumptuary laws or regulations concerning credits?

No.

4. To what extent does credit prevail in proportion to the volume of business?

From 60 to 75 per cent.

5. To what extent do losses incidental to business prevail?

From one-half to 1 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

Yes; and when the laboring classes follow this system they are more or less in the power of the tradesman, who, it is claimed, falsifies his accounts to a great degree, in order to extort as much money as possible from this class of customers. The mechanic and laborer running accounts are subject to much higher prices than if they were making cash purchases.

7. What advantage have cash buyers?

In the retail business as a rule, where the purchaser is considered No. 1, there is no perceptible advantage. In the jobbing trade 5 per cent. discount, instead of six months' bills, is allowed. In the wholesale trade 2 to 5 per cent. discount is made in preference to three months' bills. American buyers are preferable to all others in this market, and are considered cash buyers with an advantage of about 5 per cent.

8. Is interest demanded on time accounts?

Yes; from 5 to 6 per cent. per annum.

9. With what classes are the evils of credit most conspicuous?

With the retail tradesmen, stock and grain speculators, and mechanics and laborers.

10. What kind of produce or manufactured articles command cash returns?

Grain, eatables, provisions, &c.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits of record are common among all classes, but more especially among farmers and realty holders.

12. When a person in business has once failed, or been discredited, can he resume, and what are the obstacles to resumption?

He can resume by passing through the court of bankruptcy and paying 50 per cent., or by making settlements, with a release signed by three-fourths of the creditors.

13. Is bankruptcy frequent?

The following statistics taken from the records of the court of claims for the canton of St. Gall during the years 1879, 1880, and 1881 shall be my answer:

Statement showing the number of applications made before the court of claims for the canton of St. Gall during the years 1879, 1880, and 1881.

[Amounts on 100 inhabitants.]

Class.	Items.	Amounts.	Percentage.
Claims under 100 francs:		<i>Francs.</i>	
Secured debts.....	152	8,389 27	} 49.50 per cent., or 1,534.55 francs.
Unsecured debts.....	108,860	3,289,860 36	
Claims over 100 francs:			
Secured debts.....	2,767	7,264,945 72	} 20.24 per cent., or 18,517.27 francs.
Unsecured debts.....	89,604	21,058,350 82	
Total	146,473	31,621,546 37	69.83 per cent., or 15,051.82 francs.

In the above applications all claims are included which were put in motion by operation of law, whether sustained or not.

Statement showing the number of cases in the bankruptcy court for the canton of St. Gall, in the year 1882, brought forward from docket of 1881.

Unsettled cases	162
New cases in 1882	636
Total	798
Number settled by—	
Withdrawal	117
The court	4
Private arbitration	20
Trial	550
	691
Number remaining unsettled for 1883	107

The total costs in these 691 cases in bankruptcy amounted to 125,930 francs, or, per each case, to 183.30 francs, or 1.31 per cent. of the whole amount of assets—9,574,629 francs.

Amount of liabilities.

	Francs.
Privileged	9,693,891
Current	6,240,159
Total	15,934,050
The preferred creditors received	8,788,953
The current creditors received	559,747
Real loss	6,485,350
Costs	105,930
Total	15,934,980

The preferred creditors lost about 9½ per cent.; the current creditors lost about 90 per cent.

Bankruptcy is more common than in years gone by; in former times the bankrupt laws of Switzerland were very severe, excluding all bankrupts from the military as well as the exercise of political rights, and every effort was made by both friends and relatives to avoid the disgrace, and the result was that few bankruptcies occurred among the better families and trades-people; but since the laws have been made more lenient and certain disabilities removed they are more frequent and are on the increase, the disgrace being considered unimportant.

14. To what extent do relief acts in bankruptcy prevail?

My answer to interrogatory 12 shall be my answer here, or it may be said that relief can be obtained by a settlement with creditors by paying from 40 to 50 per cent. on the dollar.

15. Are fortunes readily made and lost?

Fortunes are not readily made, and are very easily lost.

16. What are the general effects of credit?

The general effect of credit is to stimulate trade, either for the better or worse.

EMORY P. BEAUCHAMP,
Consul.

UNITED STATES CONSULATE,
St. Gall, September 10, 1883.

ITALY.

FLORENCE.

REPORT BY DEPUTY CONSUL BERNARDI.

CREDITS.

In compliance with the circular issued from the Department of State under date of May 15, 1883 (received on the 27th June), I have the honor to submit the following answers to the questions propounded by the Board of Trade of Scranton, Pa.:

First. The district of Florence is not a commercial center upon which other important districts depend, and consequently trade or business credits are controlled by the bankers of the great commercial centers, such as London, Paris, Berlin, &c. By the local merchants paper is seldom issued, as their lack of capital produces lack of credit, and cash payments are generally insisted upon. Free credit would undoubtedly stimulate trade for a time, but such is the propensity for speculation in not only Italian but all business people, that credit, unless very carefully guarded, must lead to great commercial crises and individual ruin.

Second. The people of this district are by no means averse to contracting debts. The higher classes, or nobility, of Florence are almost without exception the descendants of merchants, traders, and brokers, or money-changers, and the fortunes accumulated by their forefathers have been sadly dissipated by the present generation. They may be said to live upon their debts or upon their credit. Real estate is very generally mortgaged to nearly its value, and payments are only made by the majority of the higher classes when pressure is brought to bear. Among the lower classes or small tradesmen, skilled workmen, laborers, &c., lack of credit precludes the possibility of their borrowing except at the *Monte di Pietà* (pawn-shop), and against articles of some intrinsic value. The following statement will show their tendency to contract debts. By a population of 166,972, in 1882, were pawned articles of clothing bringing them 824,387 lire; and for jewelry, &c., 3,969,958 lire; total 4,794,345 lire.

Third. The sumptuary laws or regulations concerning credits for the whole Kingdom of Italy are contained in the *Codice Civile*, promulgated at Florence June 25, 1865, and in the *Codice di Commercio*, October 31, 1882, the latter with special reference to the trade and under the jurisdiction of tribunals of commerce established in each province.

Fourth. In proportion to the volume of business, there is no standard of extent for credit, but credit, if given at all, is very limited unless against good collateral securities. Advances and discounts in Florence last year, as made by six banking institutions, amounted to 275,561,723.08 lire.

Fifth. Incidental losses in business, such as protested bills, difference of quotations from one market to another, damage of goods, &c., prevail but to a moderate extent and can be considered as not affecting the trade system.

In connection with damage of goods brought into Cagliari, Sardinia, or other Italian seaports, on the arrival of vessels, parties interested in the cargo make inquiries at the consulate as to any marine note of protest or intended protest by masters, in order to avail themselves of

the opportunity to claim fictitious damages on the goods consigned to them.

Sixth. Mechanics and laborers are paid so little and their employment is so uncertain that trades-people do not extend to them ready credit. This, however, is to the advantage of the laborer, and makes him much more careful in his daily expenditure, relieves him from the worry of debt, and forces upon him the necessity of saving when that may be possible.

Seventh. Cash buyers have the advantage of a discount ranging from 2 to 10 per cent. on amount of bill, depending upon nature and amount of purchase and description of goods.

Eighth. Interest is demanded on time accounts at the rate of from 3 to 7 per cent., not to mention unscrupulous usurers.

Ninth. The classes with which the evils of credit are most conspicuous are treasurers of Government offices and public and private institutions, shopkeepers and agents of foreign firms; the latter often give orders for goods to foreign manufacturers, accompanied by irresponsible references, and never pay for merchandise received.

Tenth. The articles which command cash returns are jewelry, precious stones, &c.

Eleventh. Credits of record are the most popular in Tuscany, and I venture to say throughout Italy. They are most prevalent among landlords and farmers, and details I will give below.

Twelfth. It is well known, not to say proverbial, that a person in business in Italy, having once failed, or having lost credit, can resume business only under another name or in a different line of trade.

Thirteenth. The number of bankruptcies which occurred in Florence during the year 1882 was 38, with 1,820,548.63 lire liabilities, against assets amounting to 903,824.84 lire. Four of these bankruptcies were declared at the request of creditors. The latest statistics of bankruptcies in Italy for 1880 show that their number was 749 (equal to 2.79 per 100,000 inhabitants), of which 698 were private and 51 of companies. About four-fifths of said bankruptcies were under 50,000 lire, and one-fifth under 5,000 lire.

Fourteenth. The relief acts prevail in the bankruptcies to the extent of one-third, inasmuch as 13 reliefs were granted upon 38 bankruptcies aforesaid, 3 being annulled, 4 coming under criminal proceedings, and 18 still pending for verification or decision on the 1st January, 1883.

Fifteenth. The Tuscan generally, and the Florentine especially, prefers a moderate business to sudden riches. Fortunes are only readily made or lost by the speculator, and although many Tuscans speculate in a small way, the sudden accumulation or loss of a large fortune is an occurrence unknown, unless it occasionally may occur in gambling among the higher classes or through some one guessing fortunate numbers in the Government lottery.

Sixteenth. The general effects of credit in Tuscany would be very beneficial indeed if applied to agriculture, inasmuch as the agrarian progress is more adapted to the nature of the Tuscan population than a great development of commerce and industries. There is no doubt that the Italian Government could promote agriculture as well as industry and commerce, raising credit morally and financially, more by diminishing the charges which depress the Italian production than by burdening foreign goods. So long as with fewer formalities money cannot be had, both for a longer time and at a more reasonable interest, it may be said that there is no agrarian credit in Tuscany.

MORTGAGES.

Under the form of credit of records it is not difficult for landlords to borrow capital. Many private persons are willing to invest their savings in that way, and banking institutions, too.

On the 1st January, 1881, the Savings Bank of Florence had among its credits about 9,000,000 lire loaned on mortgages, and that of Lucca more than 5,000,000. Among the wealthiest institutions of credit on land is the *Monte di Paschi*, at Sienna, which in 1879 had credits recorded on mortgages for 36,781,732.33 lire, as follows, viz :

	Lire.
Florence.....	13,481,244.34
Arezzo.....	2,836,004.45
Sienna.....	15,998,333.42
Lucca.....	512,328.56
Pisa.....	3,953,821.56
Total	36,781,733.33

The mortgages upon land and buildings in Tuscany, as recorded on the 31st December, 1880, amounted to 826,000,000 lire.

Considering the buildings to be valued at 618,000,000 lire, and the land at 1,191,000,000, it gives a total of 1,809,000,000 lire. Therefore mortgages, as compared with value of properties, would range as 45 to 100; and with regard to land and buildings, they could be distributed as three-fifths, viz, 456,000,000, to the former, and two-fifths, viz, 370,000,000, to the latter, and the value of land free from mortgages would be reduced at 735,000,000 lire, calculated to produce approximately 62,000,000 lire.

From this amount there are to be deducted general taxation on land, 19,000,000 lire; income-tax on debts and mortgages, 2,500,000 lire; taxation for draining, 150,000 lire; fee for registration of deeds, 1,350,000 lire; total, 23,000,000 lire. Balance, 39,000,000 lire, to which the profit of the real estate would be reduced, after deduction of 37 per cent. taxes and charges, representing 3.27 per cent. of the gross amount of land and buildings, estimated as above at 1,191,000,000 lire.

In conclusion, I beg to say that the rural land property, generally too much divided and subdivided, is burdened with heavy taxes and debts. Ignorance causes distrust in banking institutions, and the majority prefer the postal saving service throughout all the communes of the Kingdom, which service enables husbandmen to save a little money.

SPIRITO BERNARDI,

Deputy Consul.

UNITED STATES CONSULATE,

Florence, August 3, 1883.

LEGHORN.

REPORT BY CONSUL BARNARD.

In compliance with the circular dated May 15, 1883, in reference to the "system of credits," &c., which prevails in this consular district, I beg to say, from the nature of the information required, that I recognize the importance that all statements of this character should be correct, hence I have thought it best to make a thorough investigation upon the various interrogatories proposed from the most reliable source, all of which I respectfully submit.

Credit most undoubtedly stimulates trade, but, as a rule in this consular district, all classes are averse to contracting debts, and seldom do so when they can avoid it.

There are no sumptuary laws or regulations concerning credits, but in the commercial and civil codes there are regulations for the protection of creditors and the limitation of time for the enforcement of civil creditors. It is impossible to say, with anything like precision, to what extent credits prevail in proportion to the volume of business, but I have consulted several of the most prominent business firms of this city, and from all I can learn I should say one-half is, strictly speaking, done on credit, for although it is customary to buy many goods, principally foreign, as well as the products and manufactures of the country, with 3 per cent. discount for ready cash, yet cash payment is in reality obligatory, for the sellers will not give time even if the discount is waived by the buyers.

Parties abroad take their reimbursement on the importers here, and exporters here on foreign, generally London, bankers, both by drafts and bills of exchange at three months' date.

To what extent losses incidental to business prevail depends mainly on the nature of it; but, from the most reliable information obtainable, I should say an average from 10 to 15 per cent.

Tradesmen, as a rule, do not object to give credit to a limited extent to mechanics and laborers who are known to be honest. Cash buyers are allowed 3 per cent. discount.

Interest on time accounts cannot be demanded unless previously agreed upon. Bankers charge 5 to 6 per cent. on running accounts.

The evil of credits is most conspicuous among incapable and rash speculators and ambitious tradesmen with small means. There are no special kinds of merchandise or produce which command cash without discount.

Mortgages do not prevail to any great extent as credits with business men, but the real estate of this city, I am told, is heavily mortgaged.

A person in business who has failed can only resume after he has made a compromise with the creditors and obtained a decree from the tribunal authorizing him to commence again.

Bankruptcy is not frequent except amongst small tradesmen, principally retailers of dry goods, but even amongst these they have largely decreased since the new code of commerce came into effect, 1st of January last, the laws relating to bankruptcy being now a great deal more stringent than formerly.

The judge delegate is authorized, with the consent of the procurator, to allow the bankrupt out of the assets what they may deem sufficient for the maintenance of himself and family up to the close of the procès-verbal of the verification of the credits; after that, the consent of the creditors is necessary.

Fortunes are very difficult to make, and, as a rule, not readily lost.

The general effects of credit are to stimulate trade by affording facilities to small capitalists.

CHAS. P. BARNARD,
Consul.

UNITED STATES CONSULATE,
Leghorn, Italy, September 12, 1883.

LOMBARDY.

REPORT BY CONSUL ORAIN, OF MILAN.

Replying to the circular of the Department dated May 15, 1883, I would respectfully report as follows:

In Lombardy the credit system is practically universal, and has been so from time immemorial. It is believed to stimulate and enlarge trade by enabling many who have little capital to do business. In fact, the bulk of the business is done by men of limited capital, who find credit a necessity. As a rule, men of wealth are not in business. There are, it is true, in Italy a considerable number of rich manufacturers and importers, but if regard be had to the great mass of business men, the average of means is much less here than in England or the United States. This is attributable to the prejudice of the wealthy classes against commercial occupations, which has been longer and more deeply rooted here than in other countries. This prejudice is beginning to yield to the progress of ideas and the necessities of the poorer aristocracy. The cost of living has advanced, and the incomes of this class are lessened by constant subdivision.

An examination of business transactions discloses that the commercial system here is the outgrowth of the necessities of the community, and is not shaped, as with us, by the enterprise and ambition of individuals. Thus men are content to remain retailers, and that powerful class of merchants known with us as wholesalers have but a limited existence in this country. The wholesale business is confined almost exclusively to manufacturers and importers. There are no sumptuary laws or regulations concerning credits. The volume of business done may be estimated at two-thirds greater than the capital employed. Mechanics and tradesmen are trusted for their supplies of food for two weeks in Milan, or until such period as their wages are paid. The well-to-do classes pay their trades-people semi-annually. All classes pay house rent six months in advance except the very poor, who sometimes are allowed to pay three months in advance.

Interest is not demanded on time accounts, except from the date of default, when such occurs.

The peasant proprietors receive cash for their produce.

Credits of record by way of mortgage on real estate and judgments by confession prevail, and to about the same extent as with us.

Italian law recognizes no lien on personal property unless accompanied by delivery.

In my dispatch No. 26, of April, 1881, the provisions of the Italian bankrupt law and the remedies of creditors in suits at law were fully set forth, and I would respectfully refer to it as giving *in extenso* information on this head.

It may be observed, however, that in cases of honest bankruptcy, about 40 per cent. succeed in compounding with creditors and resume business. I am informed that, on an average, creditors receive about 20 per cent. of their claims.

The following table exhibits the number of failures in the Kingdom in seven of the most important cities during four years:

Year.	Naples.	Milan.	Rome.	Florence.	Venice.	Turin.	Genoa.
1879	48	78	28	25	26	68	54
1880	62	56	26	26	15	62	60
1881	54	66	36	18	21	75	42
1882	55	70	49	38	25	68	48

The number of failures in the entire country for the same years were as follows: In 1879, 772; 1880, 753; 1881, 715; 1882, 806.

The bankrupt laws have been but slightly modified since the promulgation of the codes.

Fortunes are not as often made and lost as with us, and a much more prudent conduct is ordinarily observed. The chance of recuperation from a failure here is much less.

That kind of combination known as a "corner" has not as yet been introduced to an extent to attract attention.

Stocks are sold upon margins, as in Wall street.

DUNHAM J. CRAIN,
Consul.

UNITED STATES CONSULATE,
Milan, July 23, 1883.

NAPLES.

REPORT BY CONSUL DUNCAN.

I have to acknowledge the receipt of your circular of May 15 relative to the system of credit and its effect on general prosperity in this consular district.

The sixteen questions submitted would admit of very lengthy answers, opening as they do the entire question of credit in trade and commerce.

1. Does credit stimulate trade?

Credit does undoubtedly stimulate trade.

2. Are people averse to contracting debts?

The Neapolitan in general is not at all averse to contracting debts—rather the contrary.

3. Are there any sumptuary laws or regulations concerning credits?

There are no laws whatever, as I am informed, to regulate credits. Credit depends entirely upon the consent of the parties concerned.

4. To what extent does credit prevail in proportion to the volume of business?

Wholesale business is done to a large extent on short credits, but retail is done almost entirely for cash; but I cannot say just what proportion of each.

5. To what extent do losses incidental to business prevail?

I have no means of knowing the proportion of losses incident to business.

6. Do tradesmen extend credit to mechanics and laborers readily?

It is not the custom here for tradesmen to extend credit to mechanics and laborers at all. On this account "popular" or "people's banks" (*Banche popolari*) are of late being established on the co-operative system in aid of the laboring classes, mechanics, &c.

7. What advantage have cash buyers?

A discount of 6 per cent. is usually allowed for cash, and sometimes more, according to circumstances, as may be agreed upon with the seller.

8. Is interest demanded on time accounts?

When a price is fixed for a time bargain it includes interest to the stipulated date, but if prolonged beyond that date interest must be paid.

9. With what classes are the evils of credit most conspicuous?

A prominent foreigner in business here says that foreign houses selling their goods to Neapolitan shopkeepers suffer most from giving credit. I presume he is correct.

10. What kind of produce or manufactured articles command cash returns?

As a general rule Neapolitan produce is paid for in cash, and imports are sold on credit, but there are, of course, many exceptions to both rules.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits of record, mortgages, judgments, &c., are very frequent, and among all classes of proprietors. I believe a very large proportion of real estate is mortgaged to raise money on.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

It is not difficult for persons doing business chiefly with foreign houses to resume, after having gone through bankruptcy. But it is more difficult if their dealings have been largely with Neapolitans, so that the losses have been felt on the spot.

13. Is bankruptcy frequent?

Bankruptcy cannot be said to be frequent.

14. To what extent do relief acts in bankruptcy prevail?

As creditors generally prefer to accept almost any compromise rather than incur the expenses and delay of proceeding in bankruptcy in the Italian courts, in Naples there were only 55 cases of bankruptcy in 1882; 54 in 1881; 62 in 1880, and 48 in 1879, which, I think, can hardly be regarded as a large number for a city of half a million inhabitants.

15. Are fortunes readily made and lost?

Fortunes are not readily made honestly here in Naples. Business is not in a prosperous condition.

The head of one of the leading banking and commission houses here recently told me that even the best houses were not more than holding their own, and hardly gaining anything. This he attributed in a large measure to the heavy and burdensome system of taxation in Italy.

But while fortunes are made with so much difficulty, they are lost with the greatest facility.

16. What are the general effects of credit?

As to what is the general effect of credit, is a very comprehensive question. But I will answer it by saying simply that it enables a large amount of business to be done on a small amount of capital.

B. O. DUNCAN,
Consul.

UNITED STATES CONSULATE,
Naples, July 12, 1883.

VENETIA.

REPORT BY CONSUL NOYES, OF VENICE.

VENETIA PAST AND PRESENT.

For a community where the arts of commerce and of public economy are practiced with such feverish activity and on so vast a scale as in the United States, an inquiry into the state of trade and credit in the

Venetian Territory can hardly be either interesting or instructive. Once the pioneer of commercial enterprise and the model of public thrift and prosperity, Venice has lost in a great measure, along with her commercial supremacy, the qualities which created and maintained it. The causes and the progress of her long decline are the commonplaces of history, and the régime to which it was subjected under the Austrian dominion was beyond all others the most calculated to sink her deeper into the fatal lethargy which had long since fallen on her.

From such extremes of depression, moral and economical, the recovery is always slow and laborious, and although since her liberation and annexation to the new Kingdom of Italy she has shared the reviving influence of its successful progress, she has not kept pace with other regions better situated or better prepared to profit by the change. The inveterate apathy of a time when all effort, or movement even, was useless or dangerous still clings to her population. The excessive inequalities of fortune, amassing the accumulated capital and the most valuable estates in the hands of a few proprietors too indolent to cultivate them themselves or to make them useful to others; a mass of population too impoverished to find guarantees for credit, and too unskilled to reap the benefit of its use; the exhaustion of the land; the want of improvements or of the desire to introduce them in the country; the absence of business enterprise and of a market for any products beyond the simplest necessities of life in the towns, have rendered credit or any other means for multiplying exchanges almost a useless superfluity; so that while the first interrogatory in the list of queries would seem almost like questioning a truism, yet in the absence of any of the elements of trade in the situation of Venice a few years back the axiom might be placed in doubt.

Adam Smith, in his *Wealth of Nations*, describes a country in such conditions that foreign trade could only serve to increase its poverty, and the Venetian Territory was at the period in question somewhat in the same situation. Essentially an agricultural country, and with no other product sufficient in quantity, sufficient even for the scanty needs of home consumption; far from all the great lines of traffic then existing, and rarely visited except by the tax collector or the curious traveler; heedless of the outer world and ignorant of modern improvements, the Venetian farmer tilled the soil as his fathers had done before him, happy if his year of toil drew from it enough to share with his landlord, or satisfy his taxes if the land was too barren to swell the income of some rich proprietor, and finally furnish his family a nourishment neither sufficient nor wholesome. Commerce can only deal with a surplus, and credit, where there are intelligence and character to resort to it, requires a guarantee for its risk or the certainty of a compensation, and as these requisites were not at hand, commerce and credit alike were rare factors in the economy of the region.

This state of things, it is to be hoped, is happily passed. The rapid extension of international communication must eventually find its way here. Connections with the outer world were gradually established, and though much more slowly, a few lines of railway for internal traffic then unthought of have since been projected and put under construction; but all this would have been of doubtful efficacy were it not that recent events seem to have been providentially directed to aid the political and commercial revival of Italy—the Franco German war, by making her a necessary element in the affairs of Europe, and introducing her products into markets where they would hardly have found a footing otherwise, besides diverting European trade with the East from its

habitual routes, and this at the moment when some such extraordinary breaking up of old routine was necessary to throw Italy into the great current of business to which she had been so long a stranger. The Suez Canal and the Alpine tunnels served to fix the movement in its new channels, which it will probably not again abandon.

In all these changes Venice was far from being the principal gainer, and their immediate effect on her commerce was hardly observable, but the desire and hope to profit by these unwonted privileges were aroused, and the impulse thus given has slowly grown and gathered force. To seize at once on her good fortune would have required a power of sustained production adequate to the immense facilities of transport thus brought to her door, and she had little to offer. In a country where the knowledge and the appliances of intensive agriculture are wanting, it is impossible to improvise an increase of production at will, and the use of credit can only further the end gradually and indirectly as a means of procuring those ameliorations. Always rare and dear in such circumstances, it was not more available for the creation of a great distributing port in face of long-established commercial traditions and of the force of capital by which they were maintained, as well as the tendencies to economize expenses and handling by drawing the custom-house line constantly further inland.

CREDIT AND TRADE SYSTEMS.

2. Are people averse to contracting debts?

In addition to the above, and following still the tenor of recent history, it is to be noted that the unprosperous management of many past years had burdened the country with a mass of bad debt. The unfortunate farmer or dealer, whose experience of credit had been in loans at usurious interest, contracted too often to satisfy the pressing necessities of the moment, was little disposed, even were it in his power, to incur again the risk and anxiety which had never brought him good in the past, for improvements whose cost seemed monstrous, and whose benefit he did not trust or comprehend. He was averse to contracting debts for the simple reason that all his experience had been of its miseries; its advantages he had never known. Above all, he was never free to use his credit, as others do, for speculation and profit; the peculiar conditions of the country dictated its employment, and it was never enough for the incessant needs of irrigation, drainage, for combating the danger or repairing the ravages of inundation. The unfortunate was too often driven to contracting debt for his necessities to think of resorting to it for his pleasure; besides a scanty subsistence as a return for labor was too precarious to allow the hope of any margin with which to pay it, so that credit, so hazardous and so grudgingly given, came finally to be regarded as a last misfortune; and the mass of the population, frugal by habit and temperament, learned to support privation and dispense with it, and this the more easily that the thousand exigencies of a colder climate, warmth, shelter, and substantial food, are here no longer necessities, and debt, with many other of the incumbrances of civilized society, becomes in some degree a matter of climate.

For a community of such habits and circumstances supplies from abroad are either superfluous or of the simplest description, nearly unvarying in nature and quantity, with sales and returns as sure and steady as possible. In fact the general character of trade throughout the Venetian Territory has still the primitive simplicity of that of a country village. Each principal town has its market day, when the cultiva-

tors of the surrounding country assemble weekly to exchange their products, and provide themselves with their modest stock of supplies for the week, with traditional fairs at stated seasons for larger gatherings and heavier transactions. That of Lonigo, near Verona, collects in crowds the inhabitants of all the region between Venice and Verona, while the festival of St. Antonio at Padua, a fair and a pilgrimage at the same time, serving at once the interests of devotion and trade, is one of the most celebrated and most frequented in Europe, and takes us far back into the Middle Ages. It is still as crowded if not as picturesque as ever, and is one of the features of life of Northern Italy. It is in these gatherings that the great mass of affairs composing the internal trade of the country are concluded, and mostly for cash. Such small quantities of produce as are disposable for exportation are here collected by agents who follow the round of these fairs and markets, and by them transported to the ports and cities, or, if raw material, consigned to the manufacturing centers.

The wholesale and foreign business is in the hands of a very few old established houses, which have grown wealthy in a long and often a hereditary monopoly of their branch, and trade mostly on their own capital. The same concentration of capital and trade in a few hands is observable in the Italian towns generally, and in every branch of steady and serious business, down to the smallest retail shopkeeping, and results evidently from the same cause, the exclusion of the masses by their want of ambition and of means, and the pride of the upper classes, which contemplates only the learned professions in the education of their sons. As a result, the prices of all objects of luxury or necessity not of home production are dear beyond all warrant of profit and outlay, the few dealers who control the trade fearing no competition and easily combining to hold the market at their own terms, thus aggregating still the intolerable oppression of the whole community of needy consumers, and the accumulation of wealth in the grasp of the fortunate few.

I have endeavored to describe at some length the economical situation of the Venetian Territory as it emerged from the Austrian dominion, partly because it is still the same in its general character, and also because an acquaintance with its recent and peculiar condition is necessary to explain the abnormal backwardness of the country in a commercial point of view at present. I have dwelt also principally on the condition of the rural population, because the progress of the region depends mainly on them, the commercial and industrial interests being with one or two exceptions too inconsiderable to form an element of importance in its general economy.

It will readily be seen that in a community so little provided with the knowledge, the means, or the desire of modern improvement, the use of credit can prevail but slowly, and subject to all the difficulties and drawbacks of inexperience. It is, however, beginning to make its appearance, and in a form of all others perhaps best calculated to bring unmixed benefit to the greatest number, and thus gain a firm foothold in the confidence and in the habits of the people, while educating them to its employment in the largest and wisest sense. Fortunately its first applications are dictated by the imperious necessity of the country.

Cultivation, and existence even, in the plain of Northern Italy, depend on the maintenance of their defenses against inundation, and of a not less complicated system of irrigation and drainage. Of these costly works Government can of course undertake only those of primary and general importance, such as the margins of great rivers, and a few grand trunk

derivation canals and diversories, leaving their subordinate extension to the care of local or private management; but in these secondary continuations down to the last ramifications, where many individuals must combine for a common object, and where every part is in mutual dependence, the necessity of concert and system has given rise to a peculiar form of association, where the proprietors interested in the improvement or protection of a given district constitute themselves into a private corporation for the object in view, and are recognized as such by Government, their obligations and rights bearing the sanction of law, and, in so far as regards their purpose, assuming the character of a board of public works, though always under the superior control of the regular authorities. This is called a *consorzio*, and a considerable part of the watershed of the country is under the management of these local groups. It is with these modest enterprises, composed often of simple farmers, whose means at hand would be totally inadequate, that credit finds its most indispensable and most beneficent employment, and, fortunately for the country, one in which it can result only in unmixed good, with no possibility either of excess or reaction.

Its employment by the governing bodies of provinces and towns is not always so free from reproach. Want of prudence and foresight has too often led them to compromise their resources for objects of doubtful utility, or dissipate them in ill-advised embellishments to the neglect of urgent necessities, and as a consequence the embarrassed finances of a considerable proportion of the Italian municipalities is a subject of serious preoccupation with the general Government. The recent suspension of the municipality of Florence, and the notorious embarrassment of those of Rome and Naples, are within every one's observation, and similar cases of improvident administration recur from time to time in less important localities, caused generally by an undue regard for necessary *decoro*, to use the consecrated term, or some untimely manifestation of the national fondness for artistic embellishment. Checked in time, however, by the equally national caution and frugality, as well as by the narrow margin of resources or credit at command, these partial extravagances lead to fewer disasters than might be apprehended.

The town authorities of the Venetian Territory would appear unusually free from such weaknesses, for their administration proceeds smoothly in general, while the municipal finances of the city itself are reputed for their excellent management and stand among the first in Italy. At present the necessity of applying all their resources to alleviating the distress and ruin caused by the late inundations leaves them neither the means nor the disposition for indulging fancies of any kind.

At every grade of the administrative hierarchy, general and local, the economical question of all matters involving the public interest is strictly under the control of higher authority and subject to ministerial approbation, and in this respect, as in many others, a strong centralization has been an inestimable safeguard to Italy in the laborious process of her unification and initiation to an independent existence. No tax can be laid, however limited and local, no loan contracted, and no project involving the disbursement of public funds, or in any way bearing on public interest or convenience, without the approval of the prefect, who represents the central Government in the provincial administration, or of a commission appointed by him. The same supervision extends to the organization and operations for credit of other objects, and the regulations in force for their government are the only enactments that could, even by forcing the sense, be entitled sumptuary laws in the Italian code at present; which may serve to answer the third question.

SUMPTUARY LAWS AND BANKING INSTITUTIONS.

3. Are there any sumptuary laws or regulations concerning credits?

4. To what extent does credit prevail in proportion to the volume of business?

From the tenor of what has been remarked above, it will be easily inferred that the volume of business in Venice and the surrounding region is far from corresponding to that of the great commercial centers of the world, or even to what might be expected from her position and resources; and the resort to credit even in this limited movement of affairs is still less in accordance with the habits of the commercial world at the present day. The community is unfamiliar with its use and advantage, and it penetrates but slowly into their usages. The establishment of institutions of credit on fair and liberal principles is of too recent date, and even in these the rates of interest and discount are still too high. Ancient usages and prejudices, and the recollection of misfortunes incurred under a régime of usury and extortion, are difficult to eradicate. Even without these counteracting influences, it may be doubted whether the very moderate movement of affairs in Venice, with the limited demand for all but the necessities of life, would support the present rates of interest, or in fact any of the requirements of credit as it is ordinarily practiced. As it is, the offer at present, in the city at least, is ample and perhaps superabundant.

All included, the institutions of credit and commercial societies of various nature existing in Venice, and embracing its territory in their operations, number fifty-five: Two branch establishments of the two great banks of emission, the National Bank of the Kingdom of Italy and the Bank of Naples; one branch of the Savings Bank of Milan, an ancient and honorable institution, with a reputation for good management and solidity quite equal to the two preceding; three ordinary banks of credit, the so-entitled "Bank of Venetian Credit," and the "Venetian Bank of Deposits and Current Accounts," with a twin establishment at Padua; six popular banks, three at Venice and three in the outlying towns of Chioggia, Dolo, and St. Donà, all within the province; a seat of the Company for General Insurances, an old established institution of first-class character, whose direction remains in Trieste, though its operations are almost entirely located in the Venetian Territory; twenty-eight other insurance companies, Italian and foreign, with offices or agencies here, but the principal establishments elsewhere; two navigation companies, one maritime and of no importance, the other carrying on a busy traffic with their little steamers to the Lido and the various towns and inlets of the Lagoon; finally, the Company of Omnibus Steamers for the internal service of the city, more popular and more prosperous each day. Unfortunately Venice has still no company or line of her own for coast or foreign navigation, and this is the worst feature of her commercial stagnation, partly from her own want of enterprise and partly, as in the matter of credit, that she is already served beyond her needs by the enterprise of others. One mining company and ten industrial societies for various objects complete the list.

Of these institutions, all those for purposes of credit have been created or have fixed their establishments in Venice since 1866 without exception. The ancient *Banco di Giro*, located in the Zecca or Mint under the Republic, a sort of clearing-house for balancing current accounts of the citizens with each other, disappeared with the fall of the Republic, was liquidated in 1806, and incorporated in the *Monte di Milano*. Since then, and during all the earlier part of this century, what little credit existed was in the hands of private capitalists and bankers,

mostly usurers, until 1852, when a society of capitalists, with permission of the reigning Government, and a capital of 3,500,000 Austrian florins, founded a *Stabilimento Mercantile*, whose services were available only to the merchants of the city, and which, after vegetating in its narrow circle until 1872, finally merged itself into the *Banca Veneta di Depositi e Conti Correnti* newly created on a larger basis but a few months before in Padua, and which then planted a branch in Venice. But, already, with the annexation of the territory to the new Kingdom, it had become part of the field of operations of the National Bank, which, originally a creation of the Sardinian Government, had grown to colossal proportions with its successive aggrandizements. In 1867 this great institution established here an additional seat, and, under the régime of the *Corso Forzoso*, extended here the circulation of its notes, with which it has since aided and enlarged the action of the smaller establishments, besides augmenting its own relations. In 1869 the aggregate of its various operations in the Venetian Territory amounted to 60,871,000 lire = \$11,565,491, and reached in 1879 the sum of 103,000,410 lire = \$19,647,930, which may be decomposed as follows, premising that the nominal capital of the institution is 200,000,000 lire = \$38,000,000; 150,000,000 lire = \$28,500,000, paid up.

Discounts effected by the National Bank with other establishments of credit in Venice.

	Lire.
Institutions of ordinary credit.....	15,595,931
Popular banks of the province.....	2,199,928
Advances on public stocks.....	2,085,004
Discounts to commerce.....	31,418,581
Notes to order on its other establishments.....	28,876,820
Notes to order by other establishments on Venice.....	29,497,286
Effects received.....	11,532,472

*103,410,163

Data of operations of the National Bank of Italy, at its seat in Venice, 1882.

MOVEMENT OF CURRENT ACCOUNTS.

DR.

	Lire.
Payments in cash and notes.....	60,797,296
Payment in orders.....	665,782
Paper for returned.....	20,710
	<u>61,483,788</u>

CR.

Net product of discounts.....	41,244,497
Orders.....	318,384
Cash and notes.....	225,931
Receipts to be credited, current account.....	19,348,380
Paper for collection.....	415,666
	<u>61,542,858</u>

DISCOUNTS.

Paper from Venice in other branches:

In legal notes.....	40,128,981
In specie.....	1,388,453
	<u>41,517,434</u>

Paper on Venice from other branches:

In legal notes.....	19,385,588
In specie.....	1,436,618
	<u>20,822,206</u>

* Equal to \$19,647,930.97.

NOTES TO ORDER.

	Lira.
From Venice on other branches.....	18, 736, 831
On Venice from other branches.....	19, 172, 948
Advances on stock	583, 562
	<hr/>
	38, 493, 341

Total discounts and notes to order *100, 832, 981

The Bank of Naples, the next most important institution of credit in the Kingdom, with a nominal capital of 48,750,000 lire=\$9,262,500, paid up 37,499,519 lire=\$7,124,908.61, opened a branch here only in 1879. Besides contributing largely to the general mass of credit, it has a special utility in serving the traffic now active and daily increasing with Bari and the southern provinces of Italy. The wine of those districts is cheap and abundant, and, containing a larger proportion of alcohol than the Venetian product of the same grade and price, is generally preferred for popular consumption, particularly in the city. This bank, though so recently planted, has already gained a large clientele, to whom it afforded in 1882 discounts to the amount of 10,188,498 lire=\$1,935,814.62, and advances on stock 145,302 lire=\$27,607.38.

These great institutions, including Venice in their sphere of action, have the advantage of procuring her access to the general mass of credit of the Kingdom, but their controlling interest and influences are elsewhere.

The establishment which represents properly the enterprise and capital of the Venetians, enlisting all their sympathies and identifying itself with the commercial revival of the place, is the *Banca Veneta di Depositi e Conti Correnti* (Venetian Bank of Deposits and Current Accounts) founded originally at Padua in 1871, with a nominal capital of 5,000,000 lire; the succeeding year it started a similar institution, existing in Venice since 1852, and transferred the principal seat of its operations here, at the same time increasing its nominal capital to 10,000,000 lire=\$1,900,000, 5,500,000 lire=\$1,045,000 paid up. Conducted with unwonted boldness and intelligence, it has manifested every promise of success and prosperity, and in 1879 its balance-sheet showed a movement of 40,000,000 lire. Early in the present year its director absconded, leaving a deficit variously estimated at from 8,000,000 to 1,000,000 lire, and public apprehension has been busy in surmising the possible result, but with a prevailing confidence in the resistance of the bank. Its affairs have since been in the hands of a syndicate, and a few days since a statement of its situation was published, containing an item of 1,189,223 lire=\$225,952 for malversation, and a movement of affairs reduced to 30,000,000 lire=\$5,700,000. Business men, however, seem confident that the establishment will surmount the difficulty. A notable feature in this statement is that the stock of discounted paper in hand has descended to 2,000,000 lire from 9,000,000 lire=\$1,710,000, in 1879.

The Bank of Venetian Credit (*Banca di Credito Veneto*), founded in 1872, with a capital of 10,000,000 lire=\$1,900,000, reduced in 1875 to 2,300,000 lire=\$437,000, all paid up, seems less an establishment of credit than an industrial and commercial company, and in this capacity it has given proofs of enterprise and persistence. In 1873 it took the initiative in opening direct commercial relations with the far East, bringing various trial cargoes of coffees and rice from Cochin-China and Rangoon, and in 1879, a disastrous year for crops, procuring the only full steamship load of grain from America that reached Venice. In the industrial line it founded, or aided in founding, two paper-mills at different localities, and an extensive brick-yard near Treviso, participated in enlarging

* Equal to \$19,158,239.

a factory of lucifer matches, which has gained wide reputation and success, as well as the manufacture—unique in Italy—of stearine candles, which bear a superior character wherever they have come into use. All these enterprises have not been equally profitable to the bank itself, but nearly all are still in activity, and afford labor and subsistence to a considerable population. In the present situation of the laboring classes here the establishment could not hold a more meritorious position. The last published statement of accounts within my reach is that of 1879, in which it is worthy of remark that in a movement of 5,000,000 lire = \$950,000, discounted paper only figures for 216,000 lire, while credit is given to a stock of merchandise of 1,681,000 lire, and a sum of 2,865,000 lire = \$544,350 due from correspondents.

The Savings Bank of Milan mentioned above does not take any considerable part in the affairs of the city, there being a local institution of the same nature here of other date, but having been recently authorized (royal decree of 23th February, 1879) to extend the exercise of credit on real estate (*credito fondiario*) to the Venetian provinces, with a guarantee fund of 4,000,000 to 5,000,000 lire = \$760,000 to \$950,000, it could not be omitted in the list, and must necessarily become, when this form of credit, now unused and difficult, for reasons suggested above, shall have attained its natural development, an important factor in the economy of the region.

It is scarcely necessary to give a more detailed account of the four or five other banks which have been enumerated among the credit establishment of the city, but whose operations are not of sufficient amount to have any considerable influence on the money market. They are of the class of popular banks, with a modest capital, contributed from the savings of workingmen, and their situation is generally as precarious as that of the population they represent. But though, in a commercial center like Venice, of insignificant importance in the business of the place, in another point of view they are not less interesting as favoring part of a great humanitarian movement, which is one of the prominent features of our time. At all events, they are often useful in preserving the laborer and small tradesmen in straits from the grasp of the usurer, and, above all, in disaccustoming from the ancient guilds and fraternities, whose improvident finance was not the least of their disadvantages.

Statement of rates of interest which have prevailed during the past two years, 1831-'32, in the popular banks and ordinary institutions of credit in various regions of Italy.

Region.	On notes and other commercial paper.				On advances.			
	Popular bank.		Ordinary institution.		Popular bank.		Ordinary institution.	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
Abbruzzo and Molise	9	9	7	7	9	9	7	7
Basilicata			9	9			9	9
Calabria	8	8			8	8		
Campania	9	6	9	5	9	6	9	5
Emilia	8	6.80	8	6	8	5	7	6
Lazio	7	6	6	6			5.75	5.75
Lombardy	6.50	4.50	6	4.50	6.50	4.50	8	4.50
Marche	10	7	8	5.25	10	6.80	8	8
Puglia	10	9	8	6			9	9
Sardinia			6	6			7	7
Sicily	8	6	8	5.50	8	6	8	5.75
Tuscany	8	8	8	5	8	6.80	7.50	6
Umbria	8	6	7	7	8	6	7	7
Venetian Territory	6.75	5.50	6.25	5	6.75	5.50	6.25	6

Statement of rates of interest, &c.—Continued.

Region.	On current accounts.				On deposits and savings.			
	Popular bank.		Ordinary institution.		Popular bank.		Ordinary institution.	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
Abbruzzo and Molise.....	3.87	3.87	4.30	4.30	4	4		
Basilicata.....			3	3			7	7
Calabria.....					4	4		
Campania.....	4	4	5	3.50	4	3.50	5	5
Emilia.....	5	3	4.30	4	3	4	5.16	4
Latium.....	4	4	3.50	3.50	5	5		
Lombardy.....	4	2.50	6.12	3	4.50	3.25	4.50	3
Marches.....	5.50	4	5	5	6	4.34	5.50	5
Puglia.....			4.50	4.50	6	4	4	4
Sardinia.....			4	4				
Sicily.....	5.50	3	5	2.50	5	3	5	3.50
Tuscany.....	5	2.80	5	2	5	2.50	5.50	4
Umbria.....	5	5	5	5	5	4.25	5	5
Venetian Territory.....	5	3	4	2.50	5	3.50	4.25	4

Table showing amount and proportion of taxes paid by different banks in Italy on their respective gains.

[Sequel to statistics of banks in Venice.]

Banks.	Gains.	Taxes.	Proportion of net gain.
	<i>Lire.</i>	<i>Lire.</i>	<i>Per cent</i>
National Bank.....	19,800,000	6,10,1871	30.81
Bank of Naples.....	2,243,018	1,207,354	53.82
Savings Bank of Milan.....	1,624,969	959,978	49.87
Lombard Bank of Deposit and Current Accounts.....	296,250	75,992	25.65
Popular banks.....	3,611,306	838,624	23.22

In conclusion, it may be said of Venice that, although the character of credit imparted to it by the German law and usage until recently in force here is solid to an unusual degree, yet the business community, still under the empire of ancient habits of caution and distrust, have relatively little recourse to it, even in proportion to the insufficient commercial activity of the place and in comparison with other commercial centers of Italy. The deposit of surplus or unemployed funds with the banks has not yet become a general practice, and as a consequence bank accounts and checks are far from being, as elsewhere, a universal convenience for the transactions of the hour. In spite of a liberal interest on deposits, maintained both by the scarcity of the offer and by the desire to conquer this hesitation, the persistent retention of the material naturally impoverishes the reservoirs of credit, and the rate of interest compared with the general average of Europe remains so high as to render it hardly available for the indolent movement of affairs.

But if Venice makes less use of credit than most of the Italian cities, her constant commercial relations with the Levant, the Black Sea, and especially with the neighboring and familiar shores of Austria-Hungary, the source of her principal traffic—her intercourse with these foreign markets, where the currency is different and subject to frequent variations of value relatively to her own, have rendered her merchants familiar with operations of exchange, which are more frequent here than in the rest of Italy.

LOSSES IN BUSINESS.

5. To what extent do losses incidental to business prevail?

In a state of affairs where there is so little disposition to embark in rash adventures the risk of loss is not incurred more willingly, and in fact business losses of any considerable importance, or with houses of respectable standing, are rare. Besides the innate caution of the national character, all the traditions of Venetian commerce admit those enterprises alone where the business aspect of the affair is beyond the possibility of mischance. In the palmy days of the Republic the Venetian merchant was the sole intermediary between the luxuries of the East and the necessities of Europe. If he risked his ship and his life, that part of the venture was amply balanced by compensations of glory and dominion, but his cargo once safe in port feared no competition in a market which he alone could supply. And to-day the lumber of his mountains, the glass and mosaics of his furnaces, the antiquities and art objects of his palaces and workshops are, each in its way and for its market, unique rarities. All other investments are strictly measured by the necessities of the moment. The rare capitalist who invests in the fabrics of foreign industry for use or convenience finds few with the desire or the means to imitate him, and the industrial who ventured on home manufacture within the barrier of protective duties and a depreciated currency can fix his scale of qualities and prices at his own discretion. The consequence is that serious losses are almost unknown unless caused by some catastrophe of the elements, and these fall generally on the cultivator. It is a singular fact that in the midst of the distress and ruin of the late inundations hardly a mention was made of any disturbance resulting from them even indirectly in commercial quarters. The small casualties of business disaster occur generally in the obscure region of necessitous expedient, and rarely ruffle the tranquil surface of regular trade, which confines itself to a routine of moderate, steady, and safe transactions.

CREDIT TO TRADESMEN.

6. Do tradesmen extend credit to mechanics and laborers readily?

The whole force of habit and usage, as well as the constitution of trade in Venice, is against such practice. The profound distrust and the really precarious nature of the resources of all who are not notoriously in possession of an independent income attaches especially to those whose subsistence depends on daily labor, and in the universal uncertainty, which knows no reliance on the morrow, few think of asking or consenting to any engagement whose fulfillment depends on the problematic gains of the future. On the other hand, the extreme simplicity which the nature of the climate induces permits the poor man to reduce his wants almost at will. Many of the necessities and all the comforts of life in colder countries are unknown to him. The regular provision for the requirements of household routine gives him no preoccupation, for the household hardly exists. A little Indian meal and fish, or a dish of beans, furnishes the family table; the rest is left for occasional indulgence abroad, as he has the inclination and the means, and no one suits himself more philosophically to his circumstances than the Venetian. Credit would be a momentary convenience, but not a necessity, and would hardly be worth the freedom of spirit it would cost, for with a whole population thus living on the line of bare subsistence absolute destitution and distress are rare. The flow of public and private charity

is so abundant, so many institutions for the relief of want have been founded by the piety of successive generations, that real suffering is hardly known, except in consequence of some great disaster or inclemence of the elements.

RATES OF INTEREST AND EVILS OF CREDITS.

In regard to the seventh, eighth, and tenth queries it is impossible to say that there is any fixed usage as to the allowance of interest on time accounts. Where such exist it is rather exceptional, and rarely of sufficient amount to make the interest of moment. Legal interest being assumed at 6 per cent. (the practical rate is higher), this is sometimes adopted, but the case is not frequent. The advantages accorded to cash buyers are also arbitrary. Cash dealing is the rule, and where a purchaser on other terms demands favors in return for cash payment, the concession made depends almost entirely on the necessities or the convenience of the dealer. Where any considerable sales are made on credit they are generally covered by notes, which then go through the regular operations of discount and recovery, and the interest is rarely lower than 6 per cent. In general, agricultural products command cash returns, while a short credit is allowed in the relations between manufacturers and wholesale dealers and the retail trade; but, as remarked above, these transactions are mostly concluded by negotiable paper. The whole spirit of Venetian trade is against the multiplication of uncovered credits.

We have seen that the disinclination of capital to seek productive employment keeps the rate of interest at a height which makes it of little avail for the uses of commerce, which, however, can dispense with it in a great measure without serious inconvenience. It is still more widely out of proportion with the profit of agriculture. When the small proprietor, spurred by the hope of improving his farm or the necessity of repairing the ravages of the elements, is tempted to contract a loan, he finds that the interest, swelled by taxes and expenses of procedure, amounts to more than he can make from his land and live, or the margin it leaves him is so small that the slightest variation in the season or the markets suffices to destroy it, and he finds his rash engagement a burden that crushes him instead of a succor that relieves; and in the unequal struggle he loses all—his home, and sometimes his country. These are the victims of credit, and many of them go to swell the yearly increasing emigration.

All these miseries have been investigated in a parliamentary inquest recently concluded and now in course of publication, and whose disclosures have caused a general feeling of painful surprise in the public. That portion of the report relating to the state of credit in the rural districts of the Venetian Territory opens with the following significant passage:

Before deciding if and on what conditions the rural proprietors can count on credit, I must express a conviction which does not accord with generally diffused ideas, namely, that credit which has for its base and guarantee property in land rarely turns out to be profitable. Above all, let it be remembered that the interest which the borrower must pay is out of all proportion with his forces, or with the possible gains of a cultivator—the commonest experience proves it; often the interest on a loan representing only half the value of the land absorbs the profit of the whole.

Accounts furnished to the commission vary slightly in their statements of the offer of capital and rate of interest, but in general negotiation is difficult and interest at 6 to 7 per cent.; with the taxes and charges it amounts to 7 and 8, and sometimes as high as 11 or 12, per cent. It should

be borne in mind that all expenses for survey, procedure, and record, as well as the income tax, are at the charge of the borrower. Another frequent impediment is the difficulty of establishing titles in the more primitive districts, the property having changed hands between unlettered parties on the ground of simple good faith. The majority of holders of capital, too, prefer placing it in the public funds, or with the great banks, at much lower interest, on account of the facilities for withdrawing it at will. In the western provinces bordering on the wealthy Lombardy, where also the Savings Bank of Milan has established an agency at Vicenza, the situation is somewhat better, interest sinking to 5 per cent.; but affairs are only concluded in sums of a considerable amount, and on property representing a guarantee to correspond. Thirty hectares is mentioned as the lowest limit, while taxes and charges are all at debtor's expense, so that here as elsewhere the small loan is either denied or devoured by the expenses. In the districts recently inundated credit is more than ever difficult or impossible, the threat of a renewal of the visitation destroying the value of land as guarantee; and in fact Parliament has been constrained to appropriate a sum of public money to be distributed in long loans to these unfortunates.

Summing up the various statements obtained, it may be assumed that interest and costs on rural loans by the banks is 7 per cent. at the lowest average, and this although in some quarters money is so abundant as to induce these same banks to lower their established allowance of interest on deposits. Yet land is as much as ever in request as an investment, at the usual prices. These facts, though well attested, so apparently contradictory, may perhaps be explained by the insufficient remuneration of every other branch of industry as well; so that capital, accumulating idly in the hands of its usual retainers, seeks a safe refuge in land for want of a better employment. If this be true, the remedy can only come with the gradual development of all the interests of the region—above all, of a numerous and thriving industrial and commercial population in the towns to consume those products, for which, in the present aspect of affairs, there seems little prospect of a profitable market abroad.

CREDITS OF RECORD.

The concrete result of the abnormal and embarrassed state of landed property above described is the natural response to the eleventh query—

11. Are credits of record (judgments, mortgages, &c.) prevalent; and, if so, among what classes?

One of the unsatisfactory features of the whole subject is the impossibility of ascertaining with exactness the amount of existing debt. In the confused and transitional state of legislation, and of affairs generally, with the illiteracy of the country people and the uncertainty of the law, it is impossible to say how many of their contracts are unrecorded and unknown; a large portion without doubt, in the form of notes, promises to pay, or even on the simple bond of good faith, and of these not even an approximate estimate can be made. Even in the fixed and certified shape of mortgages and judgments the classification employed in offices of record makes no distinction between mortgages on buildings and land, between country and city property. The official registers do not indicate the debt of this region as specially heavy in comparison with that of the more wealthy and advanced divisions of the Kingdom, but with this difference in favor of Venice it is still out of proportion with her capacity to support it relatively to provinces

which are among the wealthiest and most prosperous in Europe. The following are the official data for the state of the record debt:

Territories.	Existing December 31, 1879.	Inscribed in 1880.	
		Conventional.	Judicial.
	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>
Piedmont and Liguria.....	958,862,412.25	47,546,822.43	6,541,864.40
Lombardy.....	711,494,669.56	48,670,006.86	4,807,111.85
Venetian Territory.....	285,463,167.91	23,053,663.12	2,707,151.86
Kingdom of Italy.....	6,073,942,539.73	284,102,590.27	50,645,821.62

These data, taken from the registers existing in 1880, and, as before mentioned, loosely and imperfectly kept, were far from corresponding with the general impression of the reality or with the complaints and appearances of distress in the country. Estimates had been made by specialists, ranging from 408,000,000 lire to one milliard. In this uncertainty the commission of inquest undertook more exact researches in the record offices of the region and arrived at the certainty that the inscriptions for the last nine years for mortgages on land alone, exclusive of existing debts of older date, amount to much more than 200,000,000 lire, tabulating the results of their researches as follows:

Recorded mortgage debt of the Venetian Territory from 1871 to 1879, inclusive.

[The offices of Udine and Verona not reported from.]

CONVENTIONAL.

District.	Under 3,000 lire.		From 3,000 to 15,000 lire.		Over 15,000 lire.	
	No.	Amount.	No.	Amount.	No.	Amount.
		<i>Lire.</i>		<i>Lire.</i>		<i>Lire.</i>
Belluno.....	3,083	2,240,843.55	406	2,403,281.40	82	5,481,762.76
Feltre.....	2,343	2,548,968.50	178	985,080.00	9	871,068.24
Rovigo.....	3,629	5,661,009.00	1,210	7,709,870.00	309	12,533,672.00
Padua.....	3,326	2,115,475.34	1,231	15,179,622.98	591	14,913,540.68
Este.....	582	947,778.56	399	2,808,119.28	144	7,008,544.09
Treviso.....	6,589	2,813,688.15	1,627	9,366,964.43	344	9,361,096.04
Venice.....	2,054	21,096,668.00	1,466	16,132,015.00	939	10,948,295.00
Chioggia.....	6,351	408,520.16	207	1,584,113.50	150	6,182,221.80
Vicenza.....	6,109	8,376,435.00	1,959	9,144,465.00	206	8,786,512.00
Schio.....	4,961	8,159,084.68	411	2,383,017.39	48	1,245,964.82
Bassano.....	478	362,786.73	52	380,997.51	27	473,638.80
Total.....	33,465	49,626,227.65	9,171	68,017,396.49	2,879	77,301,318.23

JUDICIAL.

Belluno.....	1,301	725,066.58	69	440,183.88	12	497,851.41
Feltre.....	482	287,652.88	21	183,026.14	2	76,311.39
Rovigo.....	875	581,813.00	77	500,974.00	10	314,726.00
Padua.....	491	296,021.92	75	327,053.81	28	413,419.63
Este.....	202	101,079.76	15	98,248.89	1	62,528.88
Treviso.....	4,097	1,321,922.22	1,147	7,266,947.01	148	1,695,971.36
Venice.....	614	3,671,782.00	474	1,943,186.00	387	2,090,190.00
Chioggia.....	255	185,842.62	74	574,243.22	35	1,188,058.99
Vicenza.....	2,391	800,241.00	113	661,867.00	25	650,276.00
Schio.....	450	277,340.19	25	188,957.17		
Bassano.....	249	224,046.91	55	228,071.61	14	251,221.57
Total.....	11,407	8,622,349.07	2,145	12,312,215.23	662	7,190,025.18

Recorded mortgage debt of Venetian Territory, &c.—Continued.

TOTAL AND ANNUAL AVERAGE OF CONVENTIONAL AND JUDICIAL.

District.	Total.		Annual average.	
	No.	Amount.	No.	Amount.
		<i>Lire.</i>		<i>Lire.</i>
Belluno.....	4, 908	11, 888, 459. 58	544	1, 320, 929. 00
Feltre.....	3, 030	3, 347, 102. 68	336	871, 900. 00
Rovigo.....	6, 110	27, 252, 064. 00	678	3, 028, 007. 00
Padua.....	5, 752	33, 241, 141. 97	639	3, 693, 449. 00
Este.....	1, 343	11, 021, 300. 91	149	1, 224, 588. 00
Treviso.....	13, 903	31, 826, 489. 91	1, 544	3, 536, 276. 00
Venice.....	5, 964	48, 166, 941. 00	662	5, 351, 882. 00
Chioggia.....	1, 032	10, 072, 525. 29	117	1, 119, 169. 00
Vicenza.....	10, 803	28, 219, 296. 00	1, 200	3, 135, 477. 00
Schlo.....	5, 895	7, 104, 334. 23	656	739, 470. 00
Bassano.....	905	1, 920, 762. 93	100	218, 418. 00
Total.....	59, 662	214, 060, 418. 50 \$40, 271, 479	6, 625	24, 034, 465. 00 \$4, 518, 479

RESUMPTION AFTER FAILURE.

12. When a person in business has once failed or been discredited, can he resume, and what are the obstacles to such resumption ?

In the old and long-civilized communities of Europe, where commercial positions were slowly acquired and jealously guarded, failure in business was always regarded with a reprobation unknown to the rapid and facile alternations of fortune that characterize business life in America, and in Venice this sentiment seems to have prevailed with especial rigor. Her political ambition, her public and private life, all centered in her commerce, and it was not surprising that she should regard its integrity as her most sacred interest, and should surround it with all the safeguards that legislation and public opinion could furnish. There still stands a pedestal in the market-place where bankruptcies were proclaimed; and in the old communal palace of Padua is still pointed out to tourists the stone of infamy on which the unfortunate debtor sat and declared his insolvency. All the risks and apprehensions of the Venetian merchant combined with the distance and difficulty of his commercial relations to make him implacable toward the guilty or innocent cause of common misfortune. Legislation, though always imbued with the severity of the prevailing sentiment on the subject, and re-enforced, under the Austrian rule, by the uncompromising spirit of German justice, on which its commercial jurisprudence is based, had become somewhat loose and uncertain in its application during the long transitional period before the complete judicial unification of the new Kingdom, only now terminated. With the 1st of January of the present year, 1883, a new code of commercial law went into force throughout Italy. Its provisions on the point in question are of the strictest nature, and require in all cases an examination on the part of the criminal magistrate, to search for culpability, concurrently with the proceedings in bankruptcy. They admit the *moratoria*, or suspension, if sufficient motives be established, and also the *concordato*, or agreement with creditors, provided they be a majority and represent at least three-fourths of the credits. The proceedings finished, independently of liquidation and of other eventual penalties, the law requires the name and surname of the bankrupt or insolvent to be exposed on a tablet appended to the wall of the tribunal, as well as on

similar tablets in the public halls of all the commercial exchanges (*Borse di Commercio*) in the Kingdom, where he cannot again enter unless rehabilitated and the inscription erased. This rehabilitation, only granted on titles to exceptional consideration, and after complete payment or compromise (fulfilled), is sometimes obtained, but it may be readily supposed that after such proceedings, and in face of the prejudices on the subject, a respectable business position is not likely to be again achieved, although there may be strictly no legal bar; however, the individual may continue to traffic in obscure spheres or under false names.

BANKRUPTCY.

13. Is bankruptcy frequent?

All these circumstances combine with the traditional instinct of the race to make failure in business a much more serious affair here than it is sometimes considered with us. The general abstention from the use of credit, the limited volume of business, and the extreme circumspection with which it is conducted are the best of safeguards against such mischance. As a result, the trade of the region, if modest to insufficiency, is essentially safe. Failures have never been frequent, and latterly, since the enactment of the new commercial code, they have grown still more rare. The fact may seem to possess little interest or merit in view of the mediocre risk of such a movement of affairs, but assumes some importance from the further fact that this same mediocrity has preserved Venice from the effects of the long succession of commercial crises which have filled the last twenty years. Even in Vienna, the seat of much the largest portion of her foreign transactions, the famous crash of 1873 caused no disturbance here. During all this troubled period Venice has been untouched by the storms of the commercial world. Had she been involved she might hardly have possessed resources to repair their ruin.

Number of failures in business in the province of Venice from 1871 to 1882, inclusive.

Years.	Pending.	Declared.	Closed.
1871	7	3	.....
1872	10	4	3
1873	14	3	4
1874	13	10	8
1875	15	21	19
1876	13	32	18
1877	32	4	31
1878	25	85	12
1879	39	28	37
1880	.....	.....	21
1881	.....	.....	21
1882	.....	.....	24

15. Are fortunes readily made and lost?

The great characteristic of Venetian commerce is its stability. There is little chance for sudden revolutions of public or private fortune. The profits of trade are too slow to accumulate disproportionately in the hands of any one possessor. Production is always scanty, and speculation finds neither the means, the material, nor the market. Fortunes are being made, but only by thrift and frugality. The movement is so gradual as to escape notice, and the result would be equally unmarked beside the colossal agglomerations of wealth in other countries, particularly our own.

EFFECTS OF CREDIT.

The general effects of credit in Italy at large, and fortunately for her, are chiefly to be seen in the extension of public works and internal improvements. The Venetian Territory is not the most favored in its reparation, and it may be safely said that if all the disposable capital of the country for years can be used to provide it with the ameliorations indispensable to its prosperity with the requirements of the time, credit will produce for it the most beneficent effects of which it is susceptible for the present.

McWALTER B. NOYES,
Consul.

UNITED STATES CONSULATE,
Venice, September 3, 1883.

PORTUGAL.

REPORT BY VICE-CONSUL-GENERAL WILBOR.

In compliance with instructions contained in Department Circular dated 15th May last and received 26th June, I have the honor to transmit replies to the interrogatories therein contained in reference to the systems of credit which prevail in Portugal, and their relation to and effect on the general prosperity of this Kingdom.

First. Does credit stimulate trade?

The effect of credit is to stimulate trade.

Second. Are people averse to contracting debts?

People engaged in business are not averse to credit transactions which promise profits.

Third. Are there any sumptuary laws or regulations concerning credits?

There are none in Portugal.

Fourth. To what extent does credit prevail in proportion to the volume of business?

The question of proportion it is impossible to answer, but trade is mainly carried on by credits.

Fifth. To what extent do losses incidental to business prevail?

Trade in Portugal is conducted on a sound and safe basis, but the "extent" to which losses prevail cannot be fixed.

Sixth. Do tradesmen extend credit to mechanics readily?

No.

Seventh. What advantages have cash buyers?

Such advantages as may be mutually agreed upon, perhaps at the rate of 6 per cent. per annum for the term of credit.

Eighth. Is interest demanded on time accounts?

If by "time accounts" are meant the open and running accounts between business men, the answer is yes, in all cases. Interest at the rate of 5 to 6 per cent. per annum.

Ninth. With what classes are the evils of credit most conspicuous?

Both debtor and creditor classes suffer from injudicious or unwise credits.

Tenth. What kind of produce or manufactured articles command cash returns?

In large business transactions credit is so universal that with the single exception of cork-wood no kind of produce or manufactured articles

can be said to command cash returns. The cultivator almost invariably receives cash for his wine, olives, and oil, but these and other articles of farm produce once placed upon the general market are sold on credit. Credits constitute the general system of trade in Portugal, and on many articles very long credits are given.

Eleventh. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Mortgages, judgments and other credits of record are not frequent, and are more employed by the upper than by other classes.

Thirteenth. Is bankruptcy frequent?

Bankruptcy is not frequent nor are failures many. A person who has honestly failed is not necessarily discredited, nor are there any insurmountable obstacles, legal or social, to his resumption.

Fourteenth. To what extent do relief acts in bankruptcy prevail?

There is a bankruptcy law in Portugal by which honest debtors may without great difficulty obtain relief.

Fifteenth. Are fortunes readily made and lost?

The commercial class are generally free from speculation, neither making nor losing money by rash ventures.

Sixteenth. What are the general effects of credit?

It is difficult to say. Credit, so universal here, is really the basis of trade; business could not go on without it. It may be said that credit stimulates speculation among a class of business operators, and so brings failures and bankruptcy in its train. But on the other hand it opens the way to success and promotes legitimate and profitable business. I suppose the same influences, both good and bad, come from credits in Portugal as in the United States, but with less degree of intensity here, and with results less marked in magnitude.

JOHN B. WILBOR,
Vice-Consul-General.

CONSULATE-GENERAL OF THE UNITED STATES,
Lisbon, October 15, 1883.

SPAIN.

BARCELONA.

REPORT BY CONSUL SCHUCH.

In answer to your circular of May 15 last, in which the Department requested me to report on the credit system prevailing in my consular district (Catalonia and the Balearic Islands), I now beg to submit to you my answers to the several interrogatories expressly put in said circular. I may mention here that Catalonia is the first commercial, industrial, and manufacturing district of the Spanish Peninsula, and Barcelona the foremost port and largest importer and consumer of foreign goods, also American.

Does credit stimulate trade?

Without doubt it does. Nevertheless it is notable with regard to this country that the advantages of credit are very little understood, nor is it on such a vast or sufficiently intelligent scale to induce people to see the advantage in encouraging business in general.

Are people averse to contracting debts?

As a general rule Catalonians are enemies to contracting debts, preferring to limit their actions within their own resources, although at the cost of very great economy.

Are there any sumptuary laws or regulations concerning credits?

None. The emission of obligatory paper is monopolized by the *Banco de España* (Bank of Spain), officially established by the state. By others credit is exercised perfectly free, and only special laws rule for anonymous or limited societies, others by shares, fixing prudential rules to protect the rights and interests of the shareholders and determining the guarantees to be exacted from the director or administrators.

To what extent does credit prevail in proportion to the volume of business?

In agriculture it is insignificant and not worth mentioning; in industry it may be estimated at 50 per cent; in commerce, on an average it will not represent more than 40 to 50 per cent.; and in the banks, at from 60 to 70 per cent.

To what extent do losses incidental to business prevail?

In the industries, as well as in commerce, the cases of loss instead of gain will not arrive at 5 per cent., taking in all classes.

Do tradesmen extend credit to mechanics and laborers readily?

The merchants and banks allow a credit, but always very limited, to the mechanic or small tradesman who establishes himself in business. Very rarely, if ever, is a credit granted to the simple workman or laborer.

What advantage have cash buyers?

As a general rule, from 2 per cent. to 5 per cent. for each credit of three months.

Is interest demanded on time accounts?

In certain articles, which custom has established, protracted credits are exacted. The general rule is not to exact them, and above all not to pay them.

With what classes are the evils of credit most conspicuous?

Amongst all classes of speculators, contractors, and speculators on 'change, and private individuals without any guarantee or securities. The bad result is always understood for the lender of the money.

What kind of produce or manufactured articles command cash returns?

All that proceeds direct from the agricultural producer, such as wheat, wine, oil (olive), cattle, &c. When these articles are found in the hands of speculators, exporters, or manipulators, then they enter in the regimen of the credit system. There are several articles which are paid for in cash; nevertheless, a respite of 30 days is understood. Payments in cash against goods are very rare.

Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

The secured or mortgage credit is used only in cases of extreme necessity, and always with great reluctance, because the laws on this point, as well as the costs of the court of justice, are usually ruinous. Proprietors and manufacturers are those who generally have recourse to this means. There are some "mortgage credit companies" to facilitate sums on property and on acquaintance, but the truth of the case is, that, "as a protection," they are of little or no productive effect.

When a person in business has once failed or has been discredited, can he resume, and what are the obstacles to such resumption?

The restoration of the bankrupt to his rights depends, as a general rule, on the tact in obtaining a settlement with his creditors, which is usually easily obtained. The cases are very rare where a determined

and effective judicial action is taken against an insolvent. With regard to "loss of credit," its effect for the fraudulent merchant is of little importance, more so if he is a sharp person, who knows how to make use of the weak points of the law, and amongst commercial people.

Is bankruptcy frequent?

They are not very frequent, and are generally felt first on the exchange; second, in the banks; third, in business speculations, in large industries, and always on a small scale and difficult to determine. In small businesses, industries, shops, and small enterprises there occur numerous cases of insolvency from \$100 to \$1,000, which are generally abandoned, so as not to incur the heavy expenses of legal proceedings, no matter whether it is a doubtful or is a fraudulent bankruptcy. The "guarantee commission" in important and current business is generally $\frac{1}{2}$ per cent. per month. In others they cannot be fixed, but arrive at 2 per cent. and even more in some cases.

To what extent do relief acts in bankruptcy prevail?

There exist no protection laws for insolvents further than the common law and the special *Código de Comercio* for this class. In consideration of the gradual increase of cases of fraudulent and doubtful bankruptcies, efforts are being made to reform the law and make it more stringent.

Are fortunes readily made and lost?

Neither one nor the other. It is true that for some twenty years back, operations on the exchange and the creation of railway companies have given rise to large fortunes, whilst in a short time it has completely ruined others; but the predominating character of the Catalan is hard work, privation, and economy. The desire to consolidate a capital for the future security and benefit of the family induces him to retire from business, placing his capital in Government property or safe investments, or at least a large part of his capital is retired from business with this express object.

What are the general effects of credit?

As credit, up to the present, has not been established except in a normal manner, owing to the impulse and immoderate wishes of speculators in stocks, banks and societies have sprung up by the dozen, going to ruin in a short time, liquidating shamefully, or becoming bankrupt. The effects of credit have been disastrous in general; few have made use of it, except people of doubtful character and a few fortunate speculators.

It cannot be said that the personal credit system has been seriously established. This would be very hazardous until the laws are reformed.

FRED'K H. SCHEUCH,

Consul.

UNITED STATES CONSULATE,
Barcelona, July 26, 1883.

MADRID.

REPORT BY CONSUL-GENERAL REED.

I had the honor to duly receive circular of the 15th of May last, requesting certain information in regard to the system of credits in Spain. As it would seem that a similar circular has been sent to our consuls in other parts of Spain, I will only report in so far as the prevailing system at Madrid is concerned. Since the receipt of the circular I have devoted

all the time at my disposal in consulting with merchants and prominent business men in regard thereto, and have found it difficult to obtain the desired information, but that which I have obtained is reliable, and I trust will answer the purpose for which it is intended.

As a matter of convenience I will answer each question in the order given in the circular.

1. Does credit stimulate trade?

Credit unquestionably stimulates trade, as it permits a greater field of operations. If a person is deprived of credit he must limit himself to the capital which he possesses; on the other hand, if he uses credit immoderately, or in other words, if he buys a larger stock of goods than his business warrants here, as in all parts, it becomes prejudicial.

2. Are people averse to contracting debts?

It is proverbial in Spain that persons not in business are not averse to contracting debts, and the question asked a thousand times a day is, *Como viven?* (How do they live?) and the reply is, *Quien sabe?* (Who knows?) but merchants or business men, generally speaking, are averse to contracting debts, and only do so when the extension of their business absolutely requires it, and then only in proportion to the credit which they in turn give to their customers, or to the time which they may deem necessary to realize on their goods.

3. Are there any sumptuary laws or regulations concerning debts?

The sumptuary laws in Spain have long since been abolished. But there still exist laws applicable to the cases of merchants or business men who incur expenses superior to the profits of their business.

4. To what extent does credit prevail in proportion to the volume of business?

The extent of credit in proportion to the amount of business transacted may be safely estimated at one-fifth of the same.

5. To what extent do losses incidental to business prevail?

The extent of losses incidental to business may be calculated at 5 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

It is the custom of merchants to extend credit to day laborers, mechanics, and farm hands for articles of food, drink, and fuel consumed during the week. For articles of clothing and furniture they pay in weekly installments at the rate of 5 or 6 per cent. on the amount of the credit given. But in credits of this character the merchants require a responsible person to act as indorser, and they also add 20 per cent. to the amount of the bill. Mechanics who have small establishments or shops are given credit in proportion to the amount of capital employed; but farmers who possess immovable property or lands must hypothecate them in order to obtain credit or a loan, or pay in crops when harvested, or from the receipts thereof, as the party granting the credit or loan may exact.

7. What advantage have cash buyers?

Merchants who pay cash (or within thirty days) for articles purchased of Spanish factories and warehouses are allowed a reduction of 2 per cent. But these factories and warehouses generally sell on a credit of ninety days. Merchants do not allow their customers any reduction when they pay cash.

8. Is interest demanded on time accounts?

If an account should run for a year or more, interest at the rate of 6 per cent. per annum is exacted. It may be proper to here state that bankers only keep accounts with important houses, and never discount

drafts or notes of small establishments nor extend to them any credit whatever.

9. With what classes are the evils of credit most conspicuous?

The evils of credit are most conspicuous among the so-called higher classes, who do not hesitate to obtain credit with little regard as to whether they will ever be able to pay. The laboring classes who obtain credit, and who do in time pay, are the ones who must suffer, as they are obliged to pay for the actual necessities of life the high prices exacted of them by the merchants selling the articles.

10. What kind of produce or manufactured articles command cash returns?

The principal articles which command cash returns are those sold at retail, and especially the following: Hardware and fine earthenware, shirts and ready-made clothing and dresses, furniture, trunks and traveling sacks, military articles, splints and braces used in surgery, funeral articles, iron safes, balances and scales, knives and forks, spoons, razors, engravings and chromos, old books (*libros de lance*), weights and measures, watches, clocks, jewelry, and all fancy articles.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits of record are quite prevalent among persons possessing real estate and other immovable property. At Madrid there is a bank called *El Banco Hipotecario de España*, established with a large capital for the express purpose of loaning money on mortgages and judgments, and I am informed by one of the most prominent bankers here that the business transacted by said bank is "enormous," and constantly on the increase, as its business is not confined to Madrid, but extends to all parts of Spain. The other banks here do not, generally speaking, loan money on mortgages and judgments, but there are many private persons (always on the lookout for the safe investment of their money) who do.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

A person who fails in business may resume after he has satisfied the amount for which he failed or the amount agreed upon with his creditors. He may also resume business on making an arrangement with his creditors to pay them a certain per cent. on his monthly or annual profits, always provided that his failure was an honorable one and not for the purpose of deceiving his creditors.

13. Is bankruptcy frequent?

Bankruptcy is, perhaps, less frequent in Spain than in other European countries, and, with rare exceptions, is confined to persons engaged in stock and mining speculations.

14. To what extent do relief acts in bankruptcy prevail?

The laws protect acts of bankruptcy in so far as they enable the persons failing to make an arrangement with their creditors. But if the failure should be declared fraudulent, the parties are punishable under the penal code. The punishments under this code are more or less severe, according to the character of the failure.

15. Are fortunes readily made and lost?

Fortunes in Spain are not readily made and lost, except, perhaps, among persons engaged in stock and mining speculations, and among these only in very rare instances, as neither at Madrid nor in any other part of Spain are there any large operations in stocks or in other venturesome undertakings, as compared with those in the United States. The general character of the inhabitants is little calculated to induce them to take chances or run risks. This is especially the case among merchants,

as the merchant who by years of hard work finally finds himself in comfortable circumstances is very careful not to engage in risky operations; he very wisely contents himself with what he has and with what he can make by his legitimate business.

16. What are the general effects of credit?

As to the general effects of credit, there is little or nothing to say further than what I have already said in answer to the first of the interrogatories. Madrid is not, properly speaking, a manufacturing or a commercial city. Like Washington, it is the capital of the nation, and has little or no trade outside the city limits. It has many stores, shops, &c., but they are generally on a small scale, and it would seem are only established to supply the wants of its own population.

DWIGHT T. REED,
Consul-General.

UNITED STATES CONSULATE GENERAL,
Madrid, September 1, 1883.

WESTERN ANDALUSIA.

REPORT BY CONSUL OPPENHEIM, OF CADIZ.

CREDIT.

1. Does credit stimulate trade?

Credit undoubtedly does stimulate trade considerably in this district, chiefly, I should say, by enabling active men of small means to enter into transactions impossible to them under a strict cash system. The introduction of improved modes of production, usually calling for increased outlay in "plant," is only open to small producers where their own capital is supplemented by credit, whether from bankers or merchants. In certain branches of the retail trade, as I shall show further on, credit has also the effect to increase consumption somewhat. Men of large possessions here are usually not engaged either in trade or manufacture; their means are generally invested in land, mortgages, bonds, stocks, and similar property, and it is obvious that the disinclination of that class towards industrial enterprise makes credit in some form an imperative condition to even a moderate development of trade and industry. The active business class may be said to be chiefly composed of men of small or moderate means; rich merchants, as one sees them in England or the United States, handling large capital and actively engaged in business, are very few in number here. As in all Latin countries, the tendency is for a man to leave business when he has acquired a competency, in order to lead the life of a *rentier*. When the business built up is an extensive and valuable one, junior partners or confidential clerks are often allowed to carry on the concern, the retiring founders usually leaving some capital in it. These considerations induce me to believe that credit is on the whole more indispensable here than in communities having a larger and richer commercial class and a more general diffusion of the industrial spirit.

CONTRACTING DEBTS.

2. Are people averse to contracting debts?

Merchants are, as a rule, cautious in making purchases, probably more so than in most countries, making of course wholesale business

very safe. In certain branches of the retail business, however, there is a decided disposition on the part of the customer to take goods on credit, these branches covering chiefly wearing apparel, hats, dry goods, and the like; this brings about the somewhat anomalous situation (further descanted upon in answer to question 5) that in many branches the losses from bad debts in the retail trade are by far larger than in wholesale business, although the proportion of credit sales at retail may be far below the proportion of such sales at wholesale. In the city and district of Jerez, debt in the shape of mortgages on lands and houses is said to be increasing very fast, undoubtedly on account of the short crops and wine yields of the last few years.

SUMPTUARY LAWS.

3. Are there any sumptuary laws or regulations concerning credits?

None whatever. The system of the *contribucion industrial*, however, by strictly limiting each class of merchants to such transactions as are covered by the yearly license issued, acts in the direction of a restraint upon credit; thus, a merchant having idle funds could not go out personally into the market and use these funds, be it to discount mercantile paper or loan them on negotiable securities, as such an operation, if known, would make him liable to pay the banker's license for that year (which might be as high as 4,000 pesetas); he must apply to a banker or broker, who charges a commission for his services.

PREVALENCE OF CREDITS.

4. To what extent does credit prevail in proportion to the volume of business?

An exhaustive answer to this query cannot find room within the limits of this paper, involving as it necessarily must the minute consideration of the modes of distribution in every branch of trade. I have therefore confined my investigations to what may be looked upon as leading branches in this district, the data having been obtained from representative firms in the several lines. In the wholesale wine trade credit transactions represent probably 75 per cent. of the whole. The rule obtains to pay cash for the purchase of young wine from wine-pressers. Seasoned or finished wines, however, sell, as a rule, on credit. On domestic sales twelve months is the usual time granted. On sales to foreign countries the time varies from three to nine months, the latter being but rarely exceeded. Grain is in this section almost universally bought for cash from the farmers, and sold for cash to the millers. In the case of imported grain, however, the importer usually sells (to large buyers) at ninety days. Olive oil is also a cash article when bought from the producer. Olives when sold by the producer command cash; when sold by the wholesale merchant to the retail dealer the terms usual in the wholesale grocery line come in force. Sales for export are usually covered by drafts on open credits in London or Paris, the draft being sold for account of purchaser, thus making these export sales virtually cash transactions. Corkwood and corks are almost universally dealt in for cash only. Spirits, imported chiefly from Germany, and used to fortify wines and as a base for liqueurs, are sold largely for cash, the leading importer in this province estimating the cash sales at about two-thirds of the whole. The credit usually granted in this trade is six months. Staves (all from the United States) also show a preponderance of cash transactions, these amounting to about 75 per

cent. of the total; on credit sales the terms are six months. Imported lumber, timber, and planks show the same proportion between cash and time sales; the credit granted, however, is usually four months. The sales of coffee, sugar, and colonial produce generally are divided pretty equally between cash and credit transactions, being 50 per cent. for each class. This is certainly a good approximation for Cadiz, and covers the sales of direct importers to jobbers and retailers. In Seville the proportion sold on credit would probably be slightly larger; the time granted in this line is three months. In the wholesale dry-goods trade the cash sales are few, amounting, in the estimation of good judges, to about 20 per cent. of the total transactions; the credit sales are at four months. In the retail branch of the same trade (and this applies to boots and shoes, hats, ribbons, trimmings, &c.) the cash sales are about 40 per cent., the rest being sold, not on stated terms, but "charged" to the customer, who chooses his own time for paying. This usage, certainly an anomalous one, has a very firm foothold in the small Andalusian towns, where everybody knows each other. The bulk of collections on these credit sales are made within periods varying from thirty days to six months, but twelve months is not exceptional. In the wholesale grocery and provision line about 10 per cent. of the sales are for cash, the rest on very short credits, thirty days covering most of the transactions and sixty days the rest. In the salt trade, a very important local interest in Cadiz, the terms of producers are invariably cash, which, however, means fifteen days after delivery. The bulk of the product is exported; what goes to the United States is paid for either in drafts on the American purchaser at ten days' sight, or in three months' drafts on open bankers' credit in London, these latter documents bearing same date as the bill of lading. This last mode of settlement is also used in regard to shipments to Scandinavian countries, to Russia, to England, to Brazil, and to the other South American states, covering substantially the whole export trade except the supply of the French Newfoundland fisheries; this supply is covered by three months' drafts upon the French fishing firms. The drafts in all these cases are sold for account of the purchaser, thus making these sales virtually cash sales.

BUSINESS LOSSES.

5. To what extent do losses incidental to business prevail?

Losses by bad debts in most branches of the wholesale trade previously enumerated are very small, and collections, as a rule, are regular and prompt. A leading importer and jobber in the grocery line states it as a usual experience with his firm "that 90 per cent. of a given month's sales will have been all collected by the 5th of the month following. Losses are insignificant; the true percentage for the whole trade could not be given; all that can be said is that it must be trifling." It should be borne in mind, however, that in this branch the credits are very short. The dry-goods trade does not present as pleasing a picture. The losses in the wholesale business represent from 10 to 12 per cent. of the aggregate transactions; but as this aggregate includes 20 per cent. of cash sales, upon which loss is out of the question, the real per cent. of loss (on credit sales) is from 12½ to 15 per cent., certainly a bad showing for a trade where four months' sales are the rule. It is the retail dry goods business, however, which may be said to be the weak spot of the Andalusian trade; about 40 per cent. of the sales are made for cash, the balance of about 60 per cent. being entered upon the books as debts due; no definite period of payment being agreed upon,

however, according to the vicious system adverted to in the answer to preceding question. The inevitable results of such a system are seen in the losses, which I am informed reach the astounding figure of from 15 to 18 per cent. of the aggregate retail sales; the percentage upon the credit sales (the only ones liable to loss at all) is therefore from 25 to 30 per cent. This state of things prevails to a greater or lesser extent in the retail trade in boots and shoes, hats, and wearing apparel generally. That this is wrong and anomalous, is acknowledged by all; not only is the retailer injured, but the solvent customer must in the end pay not only for what he gets, but also for what the insolvent fails to pay. In other words, the risk is covered by an addition to the price, which of course only falls on him who pays. The system, however, will die hard: First, it is rooted in the habits of the people, who have a deep-seated conservatism in all matters not political; the fact that a custom has long maintained itself is an almost insuperable obstacle to its abolition, though its evils be ever so apparent. Then, the peculiar pride and sensitiveness of the Spaniard come into play; the people in the small cities of this district are all more or less known to each other; a solvent customer, deserving and enjoying credit, has friends and relatives (many of them not as sound, some not sound at all), who will all claim credit by virtue of their connection with him, and a denial of this claim, even to the least worthy, is quite likely to cause the retailer to lose the business of the whole coterie. The retail trade in the other branches makes a much better showing, both as regards the proportion of cash sales and losses incurred.

6. Do tradesmen extend credit to mechanics and laborers readily?

In the larger towns and cities mechanics and laborers must generally pay cash for their supplies; in the country and the smaller towns tradesmen give credit to persons of this class to some extent, generally until the weekly or monthly pay day comes round.

7. What advantage have cash buyers?

In the wholesale grocery trade the customary credit is so short that the strictly cash buyer has no advantage, or at best only a most insignificant one. In the wholesale domestic wine trade, 5 per cent. discount is usually allowed for cash payment, this being the equivalent of the twelve months' credit current in this line. This applies mainly to the wealthy and long-established firms of Jerez and Port St. Mary's, who do the lion's share of the wine business in this district. In the wine-export trade the allowance for cash would range from three-quarters to 1 per cent. per month. In the spirits trade one-half per cent. per month is allowed for cash payment; to a large cash purchaser there would in this trade also be granted a concession in the price, though usually a very small one, hardly ever exceeding 1 per cent. In the timber and stave line, as well as in the colonial-goods trade, the general rule is to allow cash buyers a deduction of one-half per cent. per month. In these lines also an abatement in price would in most cases be made, the concession depending upon the state of the market and the magnitude of the transaction. In the last-mentioned branches this advantage to the cash purchaser would range from 2 to 5 per cent. In the dry-goods trade a distinction is made between goods of domestic manufacture and imported fabrics. On the first-named class the current discount for cash is from 2 to 3 per cent.; on foreign goods it is generally higher, frequently reaching 5 per cent.

8. Is interest demanded on time accounts?

This custom does not obtain in most branches. By special arrangement with well-known and steady customers it occasionally happens

that payment of claims due on the books is not exacted at maturity, leaving such claims running at interest, which in such cases is generally at the rate of one-half per cent. per month. These arrangements are, however, infrequent, and are only entered into by dealers in imported commodities, chiefly such as are sold in large lots, as cereals, lumber, staves, colonial products, &c.

9. With what classes are the evils of credit most conspicuous?

In the answer to question 5, the vicious system prevailing in the retail dry-goods trade and kindred branches has been adverted to, the evil results in that case being borne jointly—in a proportion not easily determined—by the retailers themselves and by the solvent or cash customer. Confining ourselves to Cadiz and the towns in its immediate neighborhood, including the naval arsenal at San Fernando, there is another class which would certainly be the gainer by a return to an absolute cash system, though the change might cause severe inconvenience at first. The class referred to consists of navy and army officers and public servants generally, especially those in the service of the provincial authorities or the municipalities. The pay of these people is frequently in arrear. Supplies, however, must be obtained, and this leads in many cases to discounting of pay vouchers at onerous rates, the discounters being usually the tradesmen who furnish the supplies. This about sums up the damage or injustice directly traceable to a deviation from the cash system in this section. The leading evil of credit in active commercial countries, namely, the inception and bolstering up of unsound or dishonest enterprises, may be said to be totally absent here; capital is very conservative, and rather than undergo great risk, will lie idle; stock-jobbing and *Gründerthum* have not now and will not for many years obtain a foothold in Andalusia.

10. What kind of produce or manufactured articles command cash returns?

Raw wine, grain, oil, cork-wood, olives, and country produce generally, command cash returns to the farmer or producer; commodities further advanced in manipulation or completed manufactures are dealt in according to the usage prevailing in the several branches, as expatiated upon in answer to question 4.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Mortgages on real property are the only indebtedness of this class which is prevalent in this district. In Jerez and its vicinity such indebtedness is said to have increased considerably of late, farm lands being there preferred by mortgagees to vineyards or houses; about one-third of the value is advanced. The rate for first mortgages on good property is usually 7 per cent.; but there being no usury laws in Spain, loans of this kind are made at rates varying according to the circumstances of each case; 6 per cent. is probably the lowest rate exacted, and 20 per cent. is the extreme in the other direction. There is compulsory registration of all mortgage liens upon property; the register containing such entries is open to inspection of the public at the city halls (*ayuntamientos*) of the different towns.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

This question must obviously be considered from two distinct standpoints, the first being the legal view of bankruptcy, as expressed in the statutes, and the other the view of it held by the commercial community, as evidenced in its attitude towards delinquent debtors, and the greater

or lesser degree of harshness usually shown by creditors. The law in Spain recognizes five different classes of bankruptcy, as follows: First class, temporary suspension of payment when assets cover liabilities; second class, when, through unforeseen and inevitable misfortunes, a merchant whose business has been regularly conducted and whose integrity is unsuspected finds his resources impaired to such an extent as to prevent his meeting his liabilities; third class, when there are such aggravating circumstances, as excessive personal expense, gambling, fictitious transactions, sales under market prices of purchases effected within six months of failure, &c.; when the bankrupt's books have not been kept in substantial conformity with mercantile law, or when the bankrupt fails to be personally present at the legal investigation of his failure; fourth class, when still graver infractions of honest dealing are found to exist, such as fictitious entries upon the books, no books, entries wrongly dated, destruction or alteration of books, fictitious balance-sheet, occultation of collections, malversation of deposits, &c.; fifth class, when the bankrupt has absconded.

The resumption of business by bankrupts comprised within the two first-named classes rests virtually with the creditors, although the sanction of the court by which the failure has been investigated must also be obtained. The creditors vote upon the question of their debtor's rehabilitation, which can only be granted if the favorable votes exceed by one the half of their number, and such favorable votes at the same time represent at least three-fifths of the bankrupt's indebtedness.

The third class is considered culpable bankruptcy; it entails imprisonment for a period not less than two years four months and one day, nor more than six years, and precludes rehabilitation.

The fourth and fifth classes are considered fraudulent, and bankrupts comprised within these classes cannot be rehabilitated. The legal penalty for the fourth class is imprisonment for not less than four years two months and one day, nor more than ten years; and for the fifth class, from six years and one day to twelve years.

As is frequently the case in commercial matters the prevalent usage is by far less strict than the law, leaning, in the opinion of many, rather to an excess of leniency towards the delinquent debtor; certain it is that bankrupts frequently resume by private arrangement; of course their credit has suffered and must be re-established.

A member of a leading firm in the dry-goods trade (the branch probably having the greatest quota of failures) gives it as his experience that—

On the whole the disposition of creditors towards insolvent debtors is a liberal and even a generous one, and that where insolvency is not tainted by dishonest practices—comprising the vast majority of cases—there is rarely any stubborn opposition to the resumption of business by the debtor.

A prominent wine merchant of Jerez writes thus on the same subject:

The prevalent frame of mind towards delinquent debtors, when the cause of failure is misfortune or lack of business ability, is a benevolent one.

And he further adds that it very rarely occurs that a bankruptcy has to be classified under the third, fourth, or fifth category.

The general law in regard to the collection of claims by judicial process virtually recognizes two classes of debts, whose footing is essentially different. The first category consists of small debts up to 250 pesetas, and also debts (of any amount) in the shape of negotiable instruments, such as accepted drafts or notes; for this class of claims the law gives the creditor the power of seizing any visible property of the

debtor upon an order of the court, which can be obtained on simply proving the debt. The second class covers open accounts or book debts for amounts beyond 250 pesetas. In these latter cases the law proceedings are slow, laborious, and expensive, and are on that account not often resorted to unless there are many creditors of that class, who can then club together and initiate regular bankruptcy proceedings.

13. Is bankruptcy frequent?

Very unfrequent in this district in all branches of the wholesale trade; in the retail trade, as a whole, failures are also very uncommon, and almost entirely confined to the dealers in dry goods, hats, shoes, and wearing apparel, and cognate branches.

14. To what extent do relief acts in bankruptcy prevail?

No legal relief exists, except such as is embodied in the statutes bearing on bankruptcy outlined in answer to question No. 12.

15. Are fortunes readily made and lost?

There being very little speculation or overtrading, the chances for either great gains or losses are not frequent, and there seems moreover to exist a laudable disposition to eliminate every form of gambling from business methods. During the flush times from 1863 to 1873, there were a number of instances of rapidly-made fortunes, especially in the wine trade; since that time, however, such cases have grown to be very rare. Instances of great losses are probably rarer still, and it may therefore be said that great stability in this respect is a characteristic feature of the trade of this district.

16. What are the general effects of credit?

The general effects of credit in this section, in spite of the minor abuses adverted to, are on the whole undoubtedly beneficial. Credit in the wholesale trade is generally given with caution and moderation, and, on the other hand, is hardly ever demanded for speculative or dishonest purposes. In the retail dry-goods trade and kindred branch es the prevailing trust system undoubtedly increases the volume of sales, a result not altogether felicitous, as has been shown above; this, however, only reflects the love of dress and attention to personal appearance which are local characteristics here. In the retail trade in household commodities, on the other hand, it does not appear that credit has a marked tendency to increase consumption; the great abstemiousness of the southern Spaniard, in regard to both food and drink, puts a limit to his expenditure in that direction which no inducement in the way of "easy terms" is likely to extend.

ERNEST L. OPPENHEIM,
Consul.

UNITED STATES CONSULATE,
Cadiz, July 12, 1883.

GIBRALTAR.

REPORT BY CONSUL SPRAGUE.

Years gone by credit was but little known among the commercial community of Gibraltar.

There is no doubt that the credit system stimulates trade; but not being based on solid grounds, it often results in serious disasters.

Owing to excessive competition, the great eagerness to obtain customers, especially among the retail dealers and grocers, the credit system

has become almost universal. It has for many years past gradually increased in importance, till it has reached such immense proportions that to-day the community at large, even those who may have means, hardly think of paying ready money for what they purchase to meet even their domestic wants, and with few exceptions they anticipate their incomes. The rich as well as the poor all succeed in obtaining credit from baker, butcher, grocer, tailor, haberdasher, &c.; the result is unfavorable; it encourages expenses which were never dreamed of, and finally many go to ruin or die leaving behind heavy debts or numerous unsettled accounts for their posterity to face.

At one time tradesmen in giving credit were able to overcharge in their prices, as somewhat of a protection to the extra risks they ran for the collection of debts; but to-day this precaution is even overlooked, on account of the keen competition ruling, as their books will constantly show, by having long-running unsettled accounts.

Under this condition of affairs, it would be a matter of impossibility for any one connected with the sale of merchandise to count upon establishing a business on strict cash principles; to insist upon this course instead of granting credit would at once curtail business and render it almost a nullity.

Unless among the well-to-do class, interest is seldom insisted upon in time accounts; people are generally satisfied in collecting the principal, and gladly renounce the item of interest. It is among the retail importers and dealers that the evils of credit are most conspicuous, and all kinds of produce or manufactured articles fare alike in cash returns; but it is seldom that any sale is squared up before forty-five to sixty days elapse.

No sumptuary laws or regulations exist in Gibraltar concerning credits.

Mortgages, both on freehold and leasehold property, are prevalent among all classes. Judgment debts are uncommon, as the statutes 27 and 28 Victoria, chapter 112, provide that no judgment shall affect any land until such land shall have been actually delivered in execution.

The law of arrest and imprisonment for debt still rules in Gibraltar, but no advantages seem really to be derived from it. It is but food for the lawyers, attorneys, and court officials, whose charges generally run up to excessive figures, resulting in the creditors getting little or nothing by adopting legal proceedings.

Once a man has obtained his certificate from the court of bankruptcy he can resume business at any time.

By the above act, any one may petition the court to be declared a bankrupt, if he be in a position to pay five shillings in the pound and costs.

An ordinance for the relief of insolvent debtors in Gibraltar of the year 1832, brought into force the insolvency acts, which still rule here, notwithstanding that all these laws have been repealed in Great Britain long ago.

Bankruptcies are frequent, especially among the retail dealers and grocers, who have the facility of evading the law, by easily betaking themselves to the Spanish lines, out of British jurisdiction, until they succeed by tiring their creditors into whatever kind of arrangement they please, to enable them to return to their home to resume business; or if not succeeding, they migrate to distant lands where their creditors finally lose entire control over them.

Fortunes are more readily lost than won. It is generally conceded here that those who have, by dint of labor and perseverance, made their

fortunes, generally know how to keep them, while those who have inherited them invariably lose them.

To-day one can only count upon the honor and character of an individual for punctuality in the payment of his debts. The great facilities offering for obtaining credit bring on debt, as is proved by the many claims that are constantly presented in the debt court for settlement.

HORATIO J. SPRAGUE,
Consul.

UNITED STATES CONSULATE,
Gibraltar, June 30, 1883.

AUSTRIA-HUNGARY.

A U S T R I A .

REPORT BY CONSUL-GENERAL WEAVER, OF VIENNA.

I have the honor to submit herewith the following answers to the interrogatories contained in your circular under date of May 15, 1883.

CREDIT AND TRADE.

1. Does credit stimulate trade?

The scope of the meaning of the term "credit" is so extensive that a categorical affirmation or negation can hardly be given. If its general signification be considered, to wit, that mercantile reputation which inspires trust and confidence, then the interrogatory can be answered with great positiveness, yes; for confidence and trust in a general sense must form the basis of every commercial transaction, and without them trade would be reduced to the simplest barter or exchange of one commodity for another, since it would be impossible to employ drafts, checks, notes, and other kindred financial paper; and, in fact, the whole present-developed system of banking could never have existed. If, however, the ordinary commercial signification of the term "credit" be implied, viz, the delivery of goods or supplying of services without equivalents, in reliance upon future payment, which doubtless is the sense intended in the question, then the reply must be so conditioned as to lose much of its force and certainty. For here, again, we must distinguish between the varieties of commercial credit, whether it be productive, that, is granted for the purpose of trading, or non-productive, devoted simply to the purpose of consumption; for in the latter case it would then take on the simple form of the improvident contraction of debts, with but slight prospect of canceling them, and in so far, instead of being a healthful stimulus to trade, it would be rather an unmitigated evil; for although the disposition of a merchant's stock even on credit might temporarily increase the demand, yet the expense of collection and the loss resulting from bad debts would weigh so heavily on his margins that eventually the effect must be to increase prices and injuriously hamper, if not utterly destroy, his trade, especially when practiced to any considerable extent. But, on the other hand, productive credit, granted by one merchant to another, or one individual to another, for specific purposes, such as according the necessary time in which to dispose of goods and realize on their sale, or for the development of a new industry, &c., is not open to these objections, at least not to such a degree; and in the

present condition of trade, and under existing customs, such credits are, if not an absolute *sine qua non* for successful transaction of business, at least a great stimulus to trade; for although there may be differences of opinion theoretically as to the exact nature of credit, its usual effects are generally recognized. John Stuart Mill lays down the principle that credit cannot create capital, that the debtor and creditor cannot both at the same time possess a given amount of capital, but that it simply transfers the amount from one to the other; yet he clearly points out how idle capital, in the hands of those who cannot or do not wish to employ it, may, by a system of credit, be transformed into a state of active productiveness, or, in his own terse language, that "although the productive funds of a country are not increased by credit, they are called into a more complete state of productive activity."

Commercial productive credit it would seem, therefore, becomes an exchange of one man's wealth for the capacity and industry of another; or, in other words, the capital of the rich is set over against the brains and muscles of the poor, and both are necessary factors for complete commercial success. It may, therefore, be seriously questioned whether capital be not in a sense created when, through the harmonious utilization of these two factors, money and productive labor, the wealth of a country be materially increased.

Again, credit may be said to stimulate trade by supplying the necessary substitutes for money, thus simplifying commercial transactions by facilitating the settlement of accounts, not only by means of drafts, checks, &c., but by the credit granted in the shape of promissory notes and outstanding book accounts, which increase so materially the circulating medium thereby made available for the operation of trade. As, therefore, the increased supply of the circulating medium of a country must eventually create an increased demand for its articles of commerce, this stimulus to trade must be healthful, as long at least as credit is confined within reasonable limits. But even should wild speculation be rendered more easy by a too great use of credit, which doubtless is sometimes the fact, yet an exceptional case should doubtless be regarded as only the abuse of credit and not its legitimate use; for since like speculations are possible, although certainly to a less extent, without credit, yet the abuse of credit should no more condemn its legitimate use than the abuse of capital would warrant a condemnation of its appropriate use. As, therefore, money or capital is only a single though important factor in the development of trade, productive credit holds an intimate complementary relation thereto, by supplying the necessary energy, conveniences, and stimulus, provided always that this credit be restricted within reasonable limits; or, in other words, that the energy, capacity, and industry of credit combine with and supplement the non-productivity of capital. Therefore, in order to produce the great commercial and industrial development of a country, its "coined" credit is almost as essential as its coined capital.

CONTRACTING DEBTS.

2. Are people averse to contracting debts?

On the contrary, they are greatly addicted thereto. The vicious habit of contracting debts does not seem to be confined to any class or classes of people, the poor and the rich alike having become accustomed to defer payment as long as possible. The effects are, as should be expected, to destroy confidence, and exact, whenever possible, cash payments, particularly for rents, purchases in retail, and articles of con-

sumption in general. But, on the other hand, when once the ability and inclination of a client to pay his debts are well established, it then becomes even difficult to obtain accounts from merchants, who hope by having an open running account to retain a good client's patronage and increase by such a system of credits the amount of his purchases. It is, therefore, not only the poorer classes who contract debts for the purpose of procuring the necessities of life, but also the better classes, such as tradespeople and merchants, who buy on trust; nor yet is the contraction of debts confined to the foregoing classes, but the evils extend in a deplorable degree to the nobility of the country, who, for luxury and show, frequently exhaust their patrimony and then try to relieve their impoverished condition by resorting to the hard money lender. Nor does the evil stop here, for it may be seen from each successive budget that both the Government of Austria and that of Hungary add annually many million florins to their indebtedness, or specifically an average of 36,600,000 and 23,000,000 florins, respectively, during the last five years. But it may possibly be insisted that these debts are only productive credits. If so, then the transaction may be approved of, seeing that such credits stimulate trade.

SUMPTUARY LAWS.

3. Are there any sumptuary laws or regulations concerning credits?

Strictly speaking, there are in Austria no laws or regulations restricting a man in the amount of his credits, but the same result is obtained indirectly by means of penal action brought against insolvent debtors. Paragraph 199 of the penal laws of Austria defines the various frauds which are punishable by imprisonment for terms varying from six months to one year, which, in case of aggravating circumstances, may be increased to from five to ten years. Clause "f" of said paragraph reads as follows:

If any one, by extravagance, puts himself in an insolvent condition, or by intrigue has sought to prolong his credit, or by presenting fictitious creditors, or otherwise by fraudulent arrangements, or by secreting a part of his possessions, misrepresents the true condition of his assets.

This would constitute fraudulent bankruptcy, and be punished accordingly. But if the fault of the bankrupt be not so grave, constituting a misdemeanor rather than a crime, in that the intention to damage the creditors cannot be imputed, then the penalty is applied according to paragraph 486 of the penal code, which reads as follows:

When a debtor falls into bankruptcy, and cannot show that only through misfortune and without his fault it has become impossible to satisfy his creditors in full; or if his expenses have been excessive; or if he did not immediately himself notify the court when his assets surpassed his credits, but contracted new debts or executed payments, mortgages, or preferences, he is, in so far as his acts do not constitute the crime of fraud,* guilty of a misdemeanor punishable with imprisonment for from three months to one year, which is also to be increased according to circumstances.

This might be designated simple bankruptcy, in conformity with the French code.

Traders and merchants, however, are especially subject to the same punishments in the following cases:

(a.) If the insolvent commences business while in an insolvent condition, or without possessing the necessary permission to transact busi-

* Paragraph 199, clause "f," given above.

ness in conformity with the requirement of commercial laws, and deceives the officials in regard to the actual condition of his means.

(b.) If he has previously been declared bankrupt, and has through false representations obtained permission to resume business.

(c.) If he has not kept the prescribed account books or has kept them so imperfectly that it is impossible to judge the movement of his business or the condition of his means.

(d.) If in the keeping of his books he makes intentionally false entries in certain items; if he partially or totally destroys his books (comprising his commercial correspondence), or secretes or misrepresents their contents in any way whatever.

(e.) If he cannot give satisfactory explanations in regard to the contraction of his debts or the disposition of money, goods, or other objects.

(f.) If he enters into contracts for delivery of stocks, goods, or margins, which according to their actual conditions are only wagers or games of hazard, or in other risky transactions not in conformity with his means.

(g.) If he seeks to defer the declaration of bankruptcy after he is aware that his debts surpass his assets, or injures his creditors by sacrificing his goods at a price below their value or in any other manner, although not constituting fraud.

From the foregoing it will be seen that extravagant expenditure may form a prominent item in the charge against an insolvent, and alone may effectuate his being declared and punished as a simple or fraudulent bankrupt. It should be also remarked that not only in Austria but in nearly every country of Europe insolvency is regarded as a crime, and only under palliating circumstances is it modified into a misdemeanor; further, that the burden of proof is thrown upon the bankrupt to explain or account satisfactorily for his inability to pay his debts; and, finally, that the laws of bankruptcy are intended more for the protection of the creditor than the relief of the debtor. Consequently, bankruptcy being regarded and punished by Austrian law as any other crime or misdemeanor, and relief from its financial and criminal consequences being afforded in the most restricted degree, the tendency of the law, or at least one of its chief designs, is to deter people from contracting debts or involving themselves with onerous credits, to which evils, from long custom and national impulses, they are strongly addicted.

4. To what extent does credit prevail in proportion to the volume of business?

The amount of credit given depends more on the commercial reputation of the individual than on the character of the business. Most of the small manufacturers depend almost entirely on borrowed capital, or advances made on orders before the delivery of the goods, while for more extensive operations conducted by responsible parties credits are easily found, although generally at high rates; but if the borrowers are unknown or in great commercial straits, these rates become at once exorbitant and ruinous. It is estimated that in general the amount of credit so received may equal about 75 per cent. of volume of business or interests involved.

BUSINESS LOSSES.

5. To what extent do losses incidental to business prevail?

It has been found impossible to procure the necessary statistical data to answer this question specifically, although from the data given

as to the bankruptcies before the Austrian courts in 1880-'82, some approximative idea may be gathered, although by no means conclusive. In 1882 there were presented to the courts of Austria 5,178 petitions of bankruptcy, either by the insolvent, his creditors, or his heirs. Of these, 4,164 were acted upon; of these last 2,201 were amicably arranged, 930 rejected, and 1,033 granted, and the insolvent declared bankrupt. Now, since of the 930 cases rejected the cause of rejection in 671 cases was insufficiency of funds to pay the requisite expenses attending the bankruptcy proceedings, it would appear that in nearly 16 per cent. of all the cases acted upon there were relatively no assets left, and the entire capital involved was therefore lost. Furthermore, in 1880 of the 445 bankruptcies settled by pro rata division among the creditors, 156, or more than 35 per cent., paid less than 10 per cent.; 142 paid between 10 and 25 per cent.; 110 paid between 25 and 50 per cent.; 25 paid between 50 and 75 per cent.; and 10 paid over 75 per cent. But these figures by no means represent the actual loss sustained, since, as is well known, merchants arrange by compromising with their debtors a large part of their differences, without having recourse to the bankruptcy courts.

CREDIT TO MECHANICS AND LABORERS.

6. Do tradesmen extend credit to mechanics and laborers readily?

As was noted in No. 2, debts are freely contracted by all classes in Austria; credits, likewise, are generally accorded wherever there is a fair prospect of payment. Mechanics, especially when they belong to societies which are formed for the purpose of supplying their members with the cash advances needed to pursue their industries, receive three-month credits, secured by liens on the goods. In the case of day laborers, they can obtain, generally, a week's credit from retailers of provisions and other necessities of life. To procure money when all other methods fail, resort is made to the pawn-shops, which in this country are institutions officially recognized by and kept under the supervision of the Government.

CASH BUYERS.

7. What advantage have cash buyers?

Generally, cash payments obtain a deduction of from 3 to 5 per cent., but a greater advantage consists in the power it gives the buyer to select the parties with whom he deals, to dictate his prices, and regulate his terms without regard to the question of payment. The good repute of a merchant depends, also, very largely on his financial ability, which in commercial transactions everywhere is no inconsiderable requisite to success.

INTEREST ON TIME ACCOUNTS.

8. Is interest demanded on time accounts?

Not as a rule, but if the time stipulated should be exceeded some arrangement would be entered into to secure the debt, with interest until paid, at rates to be agreed upon, as these are not subject to legal enactments; discounts, however, at the National Bank for loans guaranteed by unquestioned collaterals vary from 4 to 5 per cent. For commercial notes given on time, with interest, the rates would generally be very much higher, varying from 10 to 12 per cent., according to circumstances.

If, however, no rate of interest is stipulated, only 6 per cent. can be recovered, as custom in this matter has assumed the force of statute law. By the usury law of Austria, passed in May, 1881, judges of courts are empowered to examine all cases where usurious interests or transactions are brought to their notice, and at their discretion determine when usury has been practiced, which judgment carries with it a fine of from 100 to 500 florins and an imprisonment from one to three months. It is interesting, in this connection, to remark the large discretionary powers accorded to judges of courts, being doubtless the same paternal spirit manifesting itself in the jurisprudence as in the government of this country.

EVILS OF CREDIT.

9. With what classes are the evils of credit most conspicuous?

If unproductive credit be implied in the question, then undoubtedly the laboring classes are the greatest sufferers, since such credits become a strong incentive to improvident and extravagant methods of living, which eventually must lead those indulging too freely into wretched poverty and utter ruin.

CASH PRODUCTS.

10. What kinds of produce or manufactured articles command cash returns?

Meat, fish, wine, and in general all articles of food; although these also are sold at time credits, secured by accepted bills for three months or longer, according to circumstances. It is very rare, indeed, that any of the staple articles of trade, when sold in large quantities, can command cash returns, but frequently retailers or wholesale dealers, when selling to commission merchants, require weekly cash payments. This is generally the case when the seller is a small manufacturer who is dependent on immediate realization for cash to pay the wages of his workmen.

CREDITS OF RECORD.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

In commercial transactions credits of record are not prevalent; credits are generally granted either on book credits in account, as running accounts, or against accepted bills. The mortgaging of houses and real estate, by means of registration in the public books, is not practiced by solvent houses, except to create a working capital for a new enterprise. Credit is then usually procured from a bank or capitalist by means of bills of acceptance, or in some other similar manner, by which the party according the credit is secured by a mortgagee's rights and lien upon the mortgagor's real estate, for the principal, interest, and all other claims that may arise from the loan up to a certain fixed amount stipulated in the contract.

Judgments under healthful circumstances cannot form the basis of credits, as a judgment presupposes a judicial trial, and this can only take place if the debtor has not fulfilled his obligations in due time. Attention should in this connection be directed to the several modes of procedure in order to establish a claim. When a complaint is made upon the ground of a bill of exchange becoming due and unpaid, the

court issues a mandate upon the obligated person, according to which he, as defendant, is required to discharge the claim within three days from the time of presentation. After three days have elapsed an execution may be applied for to the court, upon the granting of which the seizure of the debtor's property can be made. After the seizure follow the judicial appraisal and public sale of articles seized, the proceeds of which are divided among the secured creditors according to their respective claims. A defendant has the right to protest against the mandate for the collection of a bill; nevertheless the seizure and appraisal can proceed for the protection of creditors, and only the sale of the seized property will be postponed, while the proceedings relative to the protest are being conducted, until the court has rendered a final decision.

When, however, the creditor holds no bill in hand, but has only a running book account, an examination as to all the circumstances in respect to a complaint must take place before a competent court, which according to the amount of the claim is more or less tedious and difficult, for only after the conclusion of this examination and the production of the necessary proof will judgment be given, upon the strength of which execution, as before described, will take place. These proceedings may, however, last for many months, and even for many years when attended by circumstances of a complex or complicated character, or when the action is brought against an opponent in possession of great artifice in chicanery. But where the debtor raises no objections the case comes to a prompt settlement.

It should be remarked that under certain contingencies and for a distinct class of claims enumerated by law special proceedings may take place before the court, when the judge, on *ex parte* evidence alone, may grant judgment, upon which writs of execution are issued. As, however, such cases are not common, and the judgment note is not recognized by Austrian law, the difficulty and expense attending the execution of judgments in general, as described above, are such as to prevent them from being extensively used to procure credits.

RESUMPTION AFTER FAILURE.

12. When a person has once failed, or has been discredited, can he resume, and what are the obstacles to such a resumption?

In principle, when an individual has failed, and his bankruptcy has been arranged and declared, unless when on account of his insolvency he has been adjudged guilty of one of the prescribed criminal acts for which he may be excluded by the court from carrying on certain occupations for a time determined according to circumstances, no legal obstacles prevent his resumption of business. But as bankruptcy, although punished by the complete seizure of the insolvent's property and his imprisonment for terms varying in accordance with the prescription laid down in the law as given above, does not purge the bankrupt from his financial responsibilities, consequently should he resume business and become at any time possessed of property or valuables, these may be seized by his old creditors just as if his bankruptcy had not taken place. It will be seen, therefore, that while legal enactments do not in general prevent him from resuming business, the practical obstacles against his resumption are quite insurmountable. To this presentation of the subject there is one important exception—the *Zwangsvergleich* (forced composition) of the Austrian law, by virtue of which two-thirds of the creditors rep

representing three-fourths of the debts may compound their claims and release under certain conditions a merchant from all further responsibility to any of his creditors. This relief extends only to merchants and commercial firms which have been registered at the tribunal of commerce at least two years previous to the insolvency.

Regular bankruptcy takes the following course: A petition is presented to the competent court, asking that bankruptcy proceedings be opened. If granted, an official assignee is appointed, the entire property of the insolvent is realized, and divided pro rata among the creditors who have filed proven claims, in so far as no creditor holds preferences or secured claims obtained previous to insolvency, or others recognized by law (taxes in arrears, certain wages, fees, &c., having priority of claim). If the creditors are not satisfied with this distribution whereby they receive only a part of their claims, they may collect the balance as soon as he possesses again any property. The result is, therefore, that as soon as a bankrupt re-establishes himself in business his old creditors may seize his goods, and thus render it impossible for him to carry on business. For this reason it rarely or never occurs that a bankrupt, whose bankruptcy has taken its regular course, can re-establish himself in his own name. Usually he takes a subordinate position in another firm, or opens up business in the name and for the account of a near relation, generally his wife. The matter presents itself otherwise, however, when the insolvent finds it possible to compromise with his creditors, as is frequently the case, to the end that the latter accept a certain quota of their claims as a full satisfaction, and renounce at the same time all right to collect the unpaid balance at any future time, so that the insolvent is thereby released from all subsequent claims. Such a settlement, being mutually voluntary, may be made before the court or otherwise, either before or after the judicial declaration of bankruptcy. But in order to obtain the object sought, the compromise or agreement must receive the consent of all the creditors. In the case of registered business firms, as noted above, the possibility of making such an agreement is greater, as in their case two-thirds of the creditors representing three-fourths of the claims are sufficient to render the composition binding on all. The nature of this statutory provision will be more fully described in connection with the question as to relief acts.

The effect of the compulsory composition is more beneficial for the insolvent than his creditors, for although the latter may reap certain benefits by avoiding expensive proceedings and obtaining larger dividends, yet the great advantage growing out of such a settlement falls to the debtor, seeing that thereby he is purged of all his former indebtedness and can resume business. On the other hand creditors are actuated not only by the hope of assisting the insolvent to pay at some future time, of his own accord, this indebtedness, but they also lay great stress, doubtless, on the possibility of profiting from such new business transactions as they may be able to carry on with the debtor after his rehabilitation.

BANKRUPTCY.

13. Is bankruptcy frequent?

By virtue of various ministerial decrees emanating from the minister of justice, the statistics of all the bankruptcy proceedings which have taken place before any court in Austria are tabulated and made public

each year. Those for 1882 have recently been made public, from which the following data are taken, and compared with the year 1881 :

Classification.	Ordinary insolvencies.		Insolvencies of merchants.		Total.	
	1882.	1881.	1882.	1881.	1882.	1881.
Petitions filed in the courts.....	3, 636	3, 478	470	489	4, 106	3, 967
Cases brought over from former year.....	1, 004	963	68	71	1, 072	1, 034
Total cases considered.....	4, 640	4, 441	538	560	5, 178	5, 001
Cases settled.....	3, 676	3, 437	488	492	4, 164	3, 929
Cases unsettled passing to next year.....	964	1, 004	50	68	1, 014	1, 072
Cases granted and opened for trial.....	736	775	297	271	1, 033	1, 046
Cases rejected, no assets.....	644	517	27	36	671	553
Cases rejected, no majority of creditors.....	49	36	3	49	49	39
Cases rejected, other reasons.....	173	176	37	44	210	220
Cases rejected, total.....	866	729	64	83	930	812
Cases compromised.....	2, 074	1, 933	127	138	2, 201	2, 071

It should be observed from the foregoing table that of the 5,178 petitions presented to the courts, only 1,033 cases passed to bankruptcy proceedings in 1882 against 1,046 in 1881, but as there were standing over in the courts 1,511 cases in 1882 and 1,525 cases in 1881 from former years, the whole number of cases standing open for trial in the various courts of Austria were 2,544 cases in 1882 and 2,571 in 1881. Of these latter, however, only 1,197 were closed in 1882 and 1,060 in 1881, leaving unsettled 1,347 cases at the close of 1882 and 1,511 at the close of 1881. All the courts of Austria are courts of bankruptcy. But all cases must be brought before the competent district or supreme court, which is determined by the domicile of the insolvent and the amount involved. In 1882 there were 1,724 cases brought before the supreme courts and 820 before the district courts of Austria; in 1881 the numbers were 1,778 and 793, respectively, so that it would appear that the tendency is to carry bankruptcy cases more frequently before the district courts. As in 1876 the number of bankruptcy cases brought before the courts were 1,777, against 1,033 in 1882, it is believed that the financial condition of the country is improving, although from the general complaint and uneasiness heard on all sides, the figures would hardly appear to convey the actual facts in the case. But the foregoing data do not give the cases rejected on account of insufficiency of funds to pay the necessary costs and fees. If these be added, the data stand as follows, showing but slight change during the last four years :

Years.	Opened.	Rejected.	Total.
1876.....	1, 779	914	2, 693
1879.....	1, 048	620	1, 668
1880.....	971	635	1, 606
1881.....	1, 046	553	1, 599
1882.....	1, 033	671	1, 704

As the population of Austria in 1880 was 22,000,000, the above figures show about one insolvent to 13,000 inhabitants.

RELIEF ACTS IN BANKRUPTCY.

14. To what extent do relief acts in bankruptcy prevail?

While the principal object of the Austrian bankruptcy law is rather to protect the creditor than afford relief to the debtor, yet there are two classes of laws protecting the insolvent and relieving a bankrupt from future obligations to his creditors:

First, those laws which exempt from seizure part of an insolvent's property, as follows:

- (1.) Alms given or promised to mendicants from the public funds.
- (2.) Salaries of public officers, Government clerks, Government officials, military, and priests of any recognized religion, to the amount of 800 florins annually. Only one-third of such salaries can, in case the debtor so elect, be assigned to the creditors.
- (3.) Pensions allowed the above-named persons to the amount of 500 florins annually, and only one-third thereof may be given to creditors.
- (4.) Salaries or wages of soldiers, payments to public functionaries for expenses connected with their official duties, fees to clergymen given for the performance of religious rites.
- (5.) Compensation given public functionaries for rent are subject to execution by lessor, but not by other creditors.
- (6.) Wages of laborers in mines.
- (7.) Insurance and other pensions to widows by certain societies to whom such privileges had been given.
- (8.) Wages and hire of persons in private service to amount not exceeding 500 florins annually, if the person is hired yearly or quarterly.

Second. The principal relief afforded bankrupts consists of the regulations for the "compulsory composition" or settlement alluded to in answer to the twelfth interrogatory, which is to the effect that in the case of a merchant or commercial firm, which has been registered at least two years before the insolvency at the tribunal of commerce, two-thirds of the creditors, representing three-fourths of the debts, can enter into an arrangement to accept as full satisfaction a part of their claims, and release by agreement the insolvent from any further obligations in regard thereto. Joint-stock companies, as well as grocers, peddlers, artisans, &c., are excluded from the benefits of the arrangement, which are reserved exclusively to merchants or traders in the strict sense of the word. This obligatory composition is not possible in case a merchant has been previously declared a bankrupt. There are no restrictions as to terms or amounts stipulated in the agreement, which may comprise immediate or future payments, the provisions exacting only that all creditors who do not possess legal guarantees or preferences shall be treated alike.

It should be noted in this connection that a strong distinction is kept up in this country between the use of the terms "insolvent" and "bankrupt," the former implying a person unable to pay his debts, while the latter term always implies that bankruptcy has been judicially declared; a distinction which has been observed in this report as far as practicable. Again, it might be noted that pressure is at present being brought by the decentralizing forces in operation in this Empire to make the provincial laws supreme, and that whenever a friction or conflict between the laws of the Empire and those of a province should develop, the former should give way and the latter remain in force. Consequently, the project of a new state law is in preparation, but from the divided state of public and political opinion but little hope exists of arriving at a satisfactory solution at an early day.

MAKING AND LOSING FORTUNES.

15. Are fortunes readily made and lost?

It may be confidently affirmed that fortunes in Austria are more easily lost than made; and further with a considerable degree of certainty that while they are lost with comparative ease, they are made with great difficulty, from the following consideration: First, as most of the wealth of the country is inherited, it sometimes happens that the son comes into possession of large estates without the preparation and discipline requisite to a proper control either of his funds or his habits; consequently, lacking the tact or knowledge necessary to handle a great financial trust, it slips from his hands by the natural law of disintegration, even should he not by the evil habit of gambling, &c., squander his patrimony at the gaming table or in other co-related vices; second, competition is so sharp, and margins so small, that it rarely happens that a merchant by legitimate trade amasses a fortune. It is certainly true that occasionally we hear of great gains resulting from some large Government concession granting a monopoly which resulted successfully and brought its happy owner a fortune, or from a profitable contract that yielded great gains; but such cases are only exceptions, for, as a general rule in Austria, the poor remain poor, and the rich grow richer. It is therefore doubtless true that the tendency of the people of Austria is strongly conservative, particularly the nobility and wealthy classes, and this conservatism is opposed to change, to adventures, to risks; consequently we should expect, and do generally find, that even when the sons of the nobility or of prominent wealthy families go into ruin they are more the exception than the rule.

GENERAL EFFECTS OF CREDIT.

16. What are the general effects of credit?

Among the general effects of credit, as was adverted to in replying to the first and ninth interrogatories, may be enumerated the following: Unproductive credit is generally, although not necessarily always, injurious; it leads to undue expense, which involves both the poor and the well-to-do in debt and consequent ruin; it tends to increase the prices, since cash purchasers are compelled to pay the bad debts of credit; it destroys confidence and so far injures trade; and even of productive credit it may be said that whereas for the time being it stimulates trade, yet if carried to unhealthful degrees it becomes wild speculation, which in a brief space of time may destroy more capital, confidence, and trade than can be built up in a long series of years. Yet, notwithstanding this long category of evils, credit would seem to be not only an actual necessity for the full development of trade, without which commerce and industry could hardly exist, but when properly regulated it becomes the helpmeet of capital, and, supplying the necessary capacity and active energy, their union results in producing the highest possible type of commercial development.

In conclusion, I beg hereby to acknowledge publicly my indebtedness to Dr. Herz, vice-consul-general, and Dr. Hasenöhr, crown barrister in Vienna, for the material aid rendered in the preparation of the legal portions of the answers given to the third, eleventh, twelfth, and fourteenth interrogatories.

JAMES RILEY WEAVER,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Vienna, December 15, 1883.

HUNGARY.

REPORT BY CONSUL STERNE, OF BUDA-PESTH.

In reply to the Department's circular of May 15, I beg to submit the following information regarding Hungary; but will remark in advance, that I have understood the different questions of said circular as specially pointing at facts touching the legitimate wholesale trade; my answers are, therefore, made in this particular direction:

CREDIT, DEBTS, SUMPTUARY LAWS, &C.

1. Trade is strongly stimulated by the credit system, without which all business would be reduced to a minimum.

2. The people of this country, being rather an easy-going sort, are anything but averse to contracting debts.

3. Sumptuary laws exist only in the shape of a special tax on keeping men-servants and carriages of show or luxury. Debts made by minors are declared invalid and cannot be collected by law. A new law places a limit on the amount which can be collected by law for debts contracted in saloons or drinking localities; this limit reaches from \$1 to \$2, the exact sum being specially fixed by the authorities of each district, most likely on account of the varying amount of intelligence and prosperity, or, rather, ignorance and poverty, prevailing among the laboring classes of the several districts, and which makes them too easy victims to certain sharp practices of this trade here.

4. With the exception of purchases from first sources, such as manufacturers or farmers, the bulk of business is done on credit, ranging from three to six months.

LOSSES IN BUSINESS.

5. Losses in business average about 2 per cent. on all classes of merchandise, dealers in dry goods and piece goods suffering the larger losses. I think, however, that, compared with the United States, these losses are only nominally thus large, for goods are sold with larger profit here, or, at least, "always" with a profit, the system common in the United States of "running leading articles at cost," or cutting on prices, not being known here. Of course the amounts transacted will not compare with those in the United States, but merchants wisely manage to keep expenses down in proportion.

CREDIT TO WORKINGMEN.

6. Tradesmen do not readily extend credit to mechanics and laborers, these being seldom owners of real estate, and for the reason given in my No. 2. To this I may add that, while capable and willing to labor quite severely on occasions, they do not possess the necessary perseverance and steadiness to make them a desirable or reliable class of debtors. Instead of working steadily six days of the week, they prefer to work unreasonably hard and overtime for three or four days, so that they may be able to rest or celebrate during the rest of the week. Of course my comparison should not be taken literally, for there are many commendable exceptions; I merely make use of it to convey an idea of the character and disposition of these classes. I also think that the system of labor here is partly responsible for the above defects; it seems that the hours

of a day's labor are not clearly enough defined, bringing about the fact or possibility that a laborer may be overworked one day to have no work at all on the next. And this, no doubt, induces people to become unreliable and irregular as workmen. Another reason why this class suffers is the fact that their ideas on economy are very ill-conceived; such frugality or thrift as can be found in Germany, for instance, is hardly known here. But it would be wrong to hold these classes alone responsible for the stated defects, for those people who are generally looked to for a better example possess these faulty characteristics in a higher degree, if possible. I think, however, that the mainspring of the evil lies in the fact that "labor is not properly esteemed." The principle is not sufficiently accepted that a man can be a gentleman and a mechanic, laboring, or business man at one and the same time. This misconception keeps many willing, capable, or talented men away from proper occupation, to enable them by this means to appear as gentlemen. This cause also tempts them often to live beyond their means. Of course, they generally have to pay dearly for their foibles, often sacrificing personal comfort, and, what is more, "an easy, debtless mind." But it is difficult and slow work to discard habits and prejudices which existed in full bloom here only a few decades ago, though the present part of the century demands that more practical ideas should be adopted, the quicker the better.

CASH AND INTEREST.

7. Cash buyers obtain discounts averaging about 8 per cent. per annum, the same depending upon the class of merchandise.

8. Interest on time accounts is not demanded unless specially stipulated for, or a positive time fixed, after which interest must be paid.

EVILS OF THE CREDIT SYSTEM.

9. The evils of the credit system are most conspicuous with petty farmers and state officials; the pay of the latter being comparatively small, many of them are continuously in debt. The law allows that their salary can be garnisheed to a certain limit, only \$250 being exempt; thus it often happens that many a year's salary has this unpleasant attachment for a long term of years, for it is provided that if a claim cannot be satisfied out of one year's salary, the claim, with interest, can be parceled out, and in this shape be attached to all the years required to pay it. The safety of such debtors necessarily depends very much upon the length of their life, which makes it such risky business that mostly usurers only will undertake it; the consequences can be imagined. I believe there will be an effort made at the coming session of Parliament to correct this law in the interest of the officials, and for reasons not belonging to the subject in question.

CASH PRODUCTS.

10. No class of merchandise commands cash returns in the sense practiced in the United States excepting the articles named in my No. 4. Staples and domestics are treated like other goods, I suppose for the reason given in my No. 5.

CREDITS OF RECORD.

11. Mortgages, judgments, &c., are frequently given by farmers and other owners of real estate, and generally taken by banks or establish-

ments specially authorized for this class of business. The system of chattel mortgages does not exist; money is advanced on personal property only after the borrower deposits such property with the lender of the money. The usual rate of interest on mortgages is about 6 per cent., and banks or savings institutions usually pay 4 per cent. on deposits—the present rate.

BUSINESS LOSSES AND BANKRUPTCY.

12-14. I find it more practical to answer these questions together. Bankruptcy or insolvency is becoming less frequent of late, owing, it is thought, to the new bankruptcy and collection laws, which act quick, prevent the favoring of some creditors, and are specially severe on such failures as are caused by fraud, or where criminal or even common carelessness in business can be proven; it is treated as a crime or offense, and punished as such, even to imprisonment, for a merchant to carry on business after his books show him to be insolvent. All merchants doing a certain amount of business are by law compelled to be registered, and all such merchants must keep their accounts in books whose leaves are arranged by an official seal in such a manner that they cannot be tampered with without discovery. Unless a merchant can compromise with his creditors he cannot be relieved of his debts in any manner, or, for instance, by such a bankruptcy law as existed lately in the United States. However, if he can pay at least 40 per cent. of his debts, and two-thirds of his creditors accept such a settlement, the law compels the other creditors to also accept this compromise, always provided that the insolvency was not brought about by fraud or criminal carelessness. Like everywhere else, that fine point of commercial honor has passed which formerly disgraced a man for life and ruined his credit at least for years in consequence of bankruptcy. Resumption, therefore, meets with no particular obstacles, the leading question now being simply whether a man who has failed possesses the means to entitle him to renewed credit. "*Tout comme chez nous*." Compared with the United States, I think that here there are fewer failures among wholesale or large retail houses. Business is not pushed to such unhealthy extremes; there is not so much of that rivalry for speculation alone which exists to some extent in the United States, and which ambition, no doubt, often causes a business house to die before its time. The principle of "big sales and small profits" is not known here, but in this I think they are at the wrong extreme of conservatism; trade could be largely expanded without any strain; a reasonable amount of Yankee enterprise, alloyed with the rich soil and other resources of Hungary, would, in my opinion, greatly benefit the country and develop it to such an extent as would astonish the natives themselves. Progress in this direction will be slow in a land where, with few exceptions, the wealthy and intelligent classes keep aloof from business and other enterprises for fear of losing caste. Then, also, it is only a short time since the country has thrown off its purely agricultural character; the people in general are therefore not up to the present requirements of commerce. In consequence, business is greatly in the hands of Jews, who are business men by inheritance, for up to within a very short time this was about the only sphere of life open to them. They possess the necessary tact, ability, and perseverance which alone lead to success. And though not strictly belonging to the subject, I must express my conviction that the present persecution of the race here is mainly due to their success in a sphere where others either will not try or for which

they are not competent. The saying that "Success begets success" should be amended, for it also "begets envy." The saying "Let the best man win" is not appreciated here. At the same time it would be a great mistake to believe that the Jews here are all business men or successful; the vast majority are not only poor, but very poor. Many of them are in the professions and some in the army; they are farmers or renters of those large estates whose proprietors are either incapable or otherwise unable to profitably manage their estates, and such estates now realize a profit usually for the owner or renter where they formerly did not; many of them are engaged in the trades and in the most severe common labor; indeed, they even possess their full share of the characteristics of the general people here pointed at in my Nos. 2 and 6.

In connection with these questions I shall now mention several items having relation to them.

When suit is entered for debt or other cause, the court always decrees that in addition to the regular court expenses, the loser of a suit must also pay to the gainer a reasonable amount of his expense for counsel, who has for this purpose to present an itemized bill for his services, which the court allows as far as found reasonable. I think this item might be reflected upon profitably by the people of the United States with a view to having a similar law passed, which would undoubtedly do away with many frivolous lawsuits, and reduce the possibility of the gainer of a suit becoming an actual loser thereby.

A homestead or exemption law does not exist. I think, however, that Parliament will soon attempt to create such a law, with a special view of benefiting the petty farmers. Some time ago a few Hungarian statesmen visited the United States to study laws there for the above purpose.

For taxes no class or kind of property is exempt, and families have no privileges over single men. Formerly a wife's dowry and other proven personal property were exempt in cases of bankruptcy, but the new law makes no distinction in this respect, a wife's property going with the general estate; if she has any other claims against her husband, and can prove these to the satisfaction of the administrator, she can simply share in the distribution as a common creditor. The only things exempt against common debts are the following: Necessary clothing, furniture, fuel and eatables for fifteen days' use, necessary tools, necessary mechanics' material to the amount of \$20; or, if farmers, one cow or four sheep or four goats, with feed for thirty days; also a small amount of seeds. Further exempt are family pictures and relics, but not their frames. The claims of servants, doctors, to a certain limit, and a few other such, also receive preferred treatment.

A new usury law has been enacted, which limits the rate of interest to 8 per cent.; it also provides for penalties in the shape of money fines, and up to imprisonment in specially severe cases; it being treated as a crime to take advantage of another's unfortunate position by certain practices in usury. This law, I think, was more particularly made for two classes of citizens, the ignorant poor and the enlightened, but reckless and unthrift; of the latter there are many in this country, owing to the peculiar state of society and its demands.

MAKING AND LOSING FORTUNES.

15. In legitimate business, fortunes are neither made nor lost quickly; in this connection I will say yet that the desire to grow rich rapidly, and without hard or "degrading" work, exists so generally that speculation

"on margin" is quite commonly engaged in, also playing in lotteries, and I am sure that many unexpected failures in business can be traced to this source. In regard to the usury law I will say yet that it grants great discretion to courts in treating such cases as stated above.

16. I think this question is answered in my No. 1.

HENRY STERNE,
Consul.

UNITED STATES CONSULATE,
Buda-Pesth, September 11, 1883.

DENMARK.

REPORT BY CONSUL RYDER, OF COPENHAGEN.

In acknowledging receipt from the Department of the circular-dispatch under date of May 15, I have herewith the honor to hand a report on the system of credits which prevail and their relation to and effect on the general prosperity of the community in the districts of this consulate.

It is as well to premise that there are no sumptuary laws in existence in this country, neither do the public authorities regulate or in any way interfere in the concerns of credits, which are entirely looked upon as questions and simply as matter of arrangement between man and man.

It will next be advisable to separate these interrogatories under the headings, 1st, of the general wholesale merchants and importers; and, 2d, of the tradesmen and retail dealers; and under the first category a subdivision may be further made under the branches of (a) dealers in home products; (b) importers and dealers in colonial produce and of manufactured goods.

TRADE IN HOME PRODUCTS.

Of these the purchases and resales of all home products are, as a rule, conducted on a system of cash payments. It is at the same time not unfrequent for the merchants to make advances to the small proprietors and tenant farmers to enable them to carry on their farming operations, which loans are repaid to them by consignments of the farm produce of butter, &c., and of the cereals after the ingathering of the harvest.

TRADE IN COLONIAL PRODUCTS.

In the transactions with colonial produce and of manufactured goods credits of two to three months are accorded to the buyers, but should a settlement be then deferred, interest at the rate of 5 per cent. per annum would be charged from the day of expiration of the credit until the date of final settlement.

Cash buyers of colonial produce are granted a three months' discount, calculated at the current bank rate of discount, while those of manufactured goods receive rates of discount varying according to the description of the manufacture, and while no reliable information is to be obtained as to the extent of these credits in proportion to the volume of business, they may be presumed as in no way exceeding legitimate bounds when the small number of failures among all classes of general merchants is taken into consideration.

MAKING AND LOSING FORTUNES.

The making of rapid fortunes among members of these commercial classes is of very rare and exceptional occurrence. Their fortunes may rather be said to have accrued from their cumulative profits and savings during many years of commercial enterprise and labor.

CREDITS TO TRADESMEN.

The system of credits given by the tradesmen's class is perhaps of a more dangerous and extended nature. Credits of open accounts with many of their customers, and running from month to month and year to year, are not unusual, and would doubtless lead to more fatal results to this class of dealers if they did not recoup themselves in a great measure by the high prices charged to these customers as compared with those for cash buyers. These credits are given to all classes of the community, to mechanics, the laboring classes, as well as those composing the upper and lower middle circles. The evil effects of this system are doubtless most conspicuous in the two last-named classes, tending, as it does, to a too great indulgence in luxuries and extravagance, from the baneful effects of which they and their families too often ultimately become grievous sufferers.

CREDITS OF RECORD.

The system of mortgage loans on landed and house property in this country is carried to a great extent. With the exception of the large baronial and other great landed estates, the greatest part of the landed property, as also houses in the towns, are mortgaged to an extent varying from one-third to two-thirds of their estimated value. These mortgages, in the event of a forced sale, would take precedence for repayment of the loans, according to the date of priority; thus, for instance, while the first and second priorities might be fully secured by the proceeds of the sale, the holder of the third might have to submit to a partial or even total loss. The first priorities being looked upon as perfectly secure investments for trustee funds, moneys of public societies, banks, &c., can be obtained at the rate of 4 per cent. annual interest; whereas those of second and third priority, being of more risk and more in the hands of private individuals, are frequently charged with an interest of 5 and sometimes even of 6 per cent. The losses sustained on those advances are, however, very inconsiderable, and these mortgages are of undoubted advantage to the small capitalists, who can thus become, with a moderate outlay of money, owners of their own farms or of their dwelling houses in the towns, and it has at the same time tended to enhance the value of all such properties by thus enabling those with comparatively small means to compete with the more wealthy classes in purchases of these descriptions.

BANKRUPTCY.

As there are unfortunately no published statistical returns relating to bankrupts, and the aggregate amount of their estates, it is only through information to be obtained from private sources that one is in any way in a position to say that in this country they appear to be comparatively trifling in proportion to the volume of business transacted. For instance, in the past year there were only twenty-five cases of bankruptcy carried into the maritime and commercial court of this

capital. It must not, however, hereby be understood that these have constituted anything like the total list of bankruptcies occurring here during that year. On the contrary the far greater number of bankruptcy cases may be said to have been settled out of court by mutual arrangement between debtors and creditors. Whenever a majority of the creditors representing a fixed quotient of the claims against the estate have agreed upon the terms of arrangement with the debtor, the minority is thereby controlled, and they are compelled to abide by the same terms of agreement. This agreement must be one and the same for all, and any preference ascertained to have been shown by the debtor in favor of one or more of his creditors would render him liable to criminal prosecution in the courts of law.

The debtor cannot resume business before he has completed the payments of such quota of his liabilities as may have been compounded for at the public meeting of creditors.

GENERAL EFFECTS OF CREDIT.

In conclusion, I think it may with entire safety be said that here, as elsewhere, when credits are employed as a medium to increase capital for the purpose of extending sound and legitimate commercial undertakings, they tend to stimulate trade, and thereby contribute to the production and accumulation of wealth, and that they are only of injurious nature when used for the bolstering up of firms engaged in reckless trade or wild speculations; and from the general state of prosperity and soundness of all commercial classes in this country, as well as from their freedom from the shocks of financial and commercial crises which have too frequently of late years visited the exchanges of other states, it must be fairly assumed that these classes have conducted their operations with all prudence, and that they have not allowed their system of credits to exceed safe and legitimate results.

HENRY B. RYDER,
Consul.

UNITED STATES CONSULATE,
Copenhagen, August 18, 1883.

SWEDEN.

REPORT BY CONSUL ELFWING, OF STOCKHOLM.

In reply to your circular of May 15, requesting a report on the systems of credit which prevail in and their relation to and effect on the general prosperity of this country, I do not think I can do better than give the contents of a letter which I received in answer to my inquiries on the subject.

The letter-writer is Mr. A. O. Wallenberg, the founder of the present banking system of Sweden, managing director of the "Stockholm Enskilda Bank," for thirty years a member of the Swedish Parliament for the city of Stockholm, and altogether the most experienced economist in all Sweden:

SWEDISH BANKING SYSTEM.

I cannot return your questions, shortly answered by me, without giving my opinion about the Swedish banking system, which I consider as the most prominent and efficient moving force in the credit of the country.

In the year 1656 a bank was established in Sweden, called *Stockholms Banco*, which was the first institution in Europe that emitted bank notes.

Later that bank became the Bank of Sweden, and is still a state bank, acting as the Government's banker, and besides doing a considerable business.

In the course of time many small banks were established and upset, but in the year 1830 the present banking system, under the denomination of *Enskilda banks*, was established; and these banks, at present 27 societies, all allowed to issue their own bank notes entirely separate the one from the other, have altogether 136 offices in the country.

There is a special law for these banks, which you will find translated into English in the *Notes on Banking*, by E. R. Inglis Palgrave, the present editor of the *Economist* in London. That book was published in London in 1872, and is in many respects of great interest.

During the long run of fifty-three years none of these banks have failed. There have been three that do not exist any longer, of which two have amalgamated with still existing banks, and the third wound up voluntarily. The fundamental points in this system are, that such a banking company must have at least thirty shareholders with unlimited responsibility; that the bank is not allowed to continue if it has lost the whole of the revenue and 10 per cent. of the paid-in capital, unless the proprietors pay in an amount to cover the sustained loss.

A public inspector is placed at each bank to revise all the acts and the portfolio, and he must give notice to the minister of the finances in case he observes anything irregular.

Every month an official report is published from all the banks, issued by the royal financial department.

We have the most complete publicity about all our banks in Sweden, and we consider this very effective for the safety of the public.

Besides the state bank and the twenty-seven *Enskilda banks*, we have twelve limited banks, not allowed to issue bank notes. These institutions are modeled after the limited banks in England, but they are also submitted to public inspection and obliged to give official monthly reports.

In all Sweden mercantile bills, from three to six months to run, are freely discounted, and the rate of discount for three months' bills can be said to vary between 4 and 5½ per cent.

Six months' bills pay one-half per cent. more than the ruling three months' discount.

The Scotch system of cash credit is very much in use, and the check accounts augmented in number every year.

I herewith inclose some of the official reports of the banks, which you will kindly dispose of.

These reports I forward to the Department by book post. Mr. Walenberg thereafter replies to the questions propounded, as follows:

"Does credit stimulate trade?"

Yes; of course.

"Are people averse to contracting debts?"

Rather too little.

"Are there any sumptuary laws or regulations concerning credits?"

No; there were about seventy-five years ago.

"To what extent does credit prevail in proportion to the volume of business?"

Impossible to answer.

"To what extent do losses incidental to business prevail?"

Different proportions, according to different kinds of trade. In ordinary banking business the loss would not exceed one-half pro mille of the amount lost in a year.

"Do tradesmen extend credit to mechanics and laborers readily?"

Yes, naturally.

"What advantage have cash buyers?"

From 5 to 10 per cent. compared with nine months' credit.

"Is interest demanded on time accounts?"

All banks allow 2 to 3 per cent. interest on check accounts.

"With what classes are the evils of credit most conspicuous?"

With young gentlemen without fortune or standing.

"What kind of produce or manufactured articles command cash returns?"

Depends entirely on the credit of buyers, because good acceptances on six months' bills are always readily discounted.

"Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?"

The answer does not depend on the holders, but entirely on the property. Mortgages on land or on houses in the well-situated towns are always received as security

for loans within half the amount of the estimated value for which the proprietor pays a tax to the state.

"When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?"

An honest, unfortunate man can resume his trade as soon as he has been acquitted by his old creditors.

"Is bankruptcy frequent?"

No, if not in consequence of a crisis, which may occur every ten years.

"To what extent do relief acts in bankruptcy prevail?"

We have no such act.

"Are fortunes readily made and lost?"

To make a fortune every one must work very hard; but to lose, it can go quickly enough.

Speculation in funds or other paper we have none worth mentioning.

"What are the general effects of credit?"

Splendid.

Mr. Wallenberg having thus answered the questions the Department asked for, I do not think I could add anything of value to what a man of his experience has said.

NERE A. ELFWING,
Consul.

UNITED STATES CONSULATE,
Stockholm, October 9, 1883.

TURKEY.

REPORT BY CONSUL-GENERAL HEAP, OF CONSTANTINOPLE.

I have delayed answering the interrogatories in your circular of the 15th of May last, received and acknowledged on the 26th of June, as I wished to make inquiries upon some points of persons more conversant than I am with the subject of credit as it affects the commercial and financial condition of this country. In the absence of anything in the shape of statistics, I can only answer the questions contained in the circular in a general manner, and shall endeavor to do so as concisely as possible.

CREDIT AS A TRADE STIMULUS.

1. Does credit stimulate trade?

In Turkey credit undoubtedly stimulates trade. Indeed, for various reasons, it cannot be seen how trade could exist without credit, for incomes, returns, &c., come in at such irregular and uncertain periods, and the people are so improvident, that credit becomes a necessity. This improvidence is in great part due to the delays suffered by officials in receiving their salaries. The pay of officers in the army and navy is generally ten or twelve months in arrear, and that of soldiers and sailors remains sometimes unpaid for two or three years. The employés of other departments are scarcely better off. They occasionally receive, however, a pay-order, which they may discount, or which may be deposited for opening a credit.

With scarcely an exception, all purchases of groceries and the primary necessities of life are made on credit. The retail dealer, finding himself with large sums due him, but no ready cash, requires credit from the wholesale vender, and consequently a net-work of credit is created. The proverbial improvidence of Orientals and the habit they have fallen into of owing, prevent the adoption of economical principles,

which would enable them in times of plenty to make provision for times of impecuniosity. The agricultural classes are poor, and borrow money at exorbitant rates in anticipation of the produce of the year. Such being the case, the country could not exist without credit.

DEBT, SUMPTUARY LAWS, AND CREDIT.

2. Are people averse to contracting debts?

The long continuance of this state of things has made the people always ready to contract debts, notwithstanding that the rates of interest imposed, directly or indirectly, are so crushing—12 per cent. being considered the legal rate.

3. Are there any sumptuary laws or regulations concerning credits?

No sumptuary laws or regulations exist concerning credits.

4. To what extent does credit prevail in proportion to the volume of business?

Credit is nearly universal for actual requirements of life, but colonials, imports and exports generally, command credit. The exact proportion of credit to the volume of business is impossible to determine in a country where there are no statistics, but it certainly exceeds 50 per cent.

LOSSES, CREDIT TO TRADESMEN, AND CASH PURCHASERS.

5. To what extent do losses incidental to business prevail?

For the reasons given in answer to the previous question it is impossible to say what is the extent of losses incidental to business. Profits, but more especially losses, are kept mysteriously secret, and they are seldom fully known.

6. Do tradesmen extend credit to mechanics and laborers readily?

Of mechanics there are few, and industries next to none, and consequently merchants are not in the habit of lending to these classes or objects.

7. What advantages have cash buyers?

Usually cash buyers have the advantage of discounts. When accounts are paid on presentation, 5 per cent. is the usual reduction. In transactions with the Government, or with persons known or supposed to be untrustworthy, the price of the article sold is increased at the rate of from 12 to 20 per cent. per annum, in proportion to about twice the conjectural time of repayment.

8. Is interest demanded on time accounts?

No interest is demanded on time accounts.

EVILS OF CREDIT.

9. With what classes are the evils of credit most conspicuous?

The evils of credit are more chiefly conspicuous among the Turks. As a Government they purchase from the market at exorbitant prices; if on seemingly favorable terms, they are defrauded in the quantity or quality of the objects delivered. As individuals they are obliged to sell their houses and property to meet loans for which they are pledged and which they cannot repay. In this way whole Turkish quarters of Constantinople are passing into the hands of Christians, and the zone of real estate belonging to Christians extends year by year.

10. What kind of produce or manufactured articles command cash returns?

Colonials, imports and exports, command cash returns as a rule. Also in the retail business when the purchaser is unknown or discredited.

CREDITS OF RECORD.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits of mortgage are numerous, and command 12 to 18 per cent. per annum. Owing to the defects of the Turkish law, these credits are effected after a legal transfer of the title deeds—an expensive process—and an additional contract between the two parties is drawn stipulating that if, at the expiration of a certain number of years, the capital is not repaid—a very frequent occurrence—the property will remain to the lender. The capital advanced is generally one-half of the estimated value of the property. All classes borrow on these conditions, but the Turks are in the majority.

RESUMPTION AFTER FAILURE.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

A line must be drawn between foreigners and Ottoman subjects. The former, who are subject to the laws of the country to which they belong, have to submit to their respective bankruptcy laws. Ottoman subjects who have failed may resume business after having made an arrangement with their creditors, and having obtained what is called a "concordat."

BANKRUPTCY AND RELIEF ACTS.

13. Is bankruptcy frequent?

Bankruptcy is not very frequent among Ottoman subjects. The laws are so defective and the unscrupulous debtor has so many means of hiding his assets and decreasing his dividends that creditors prefer settling the matter out of court. Private arrangements are more frequent than declarations of bankruptcy. Although instances are known of honorable bankruptcy, when, after being acquitted by the courts and resuming business, the parties in question repaid all that they had been acquitted of, such occurrences are rare compared with those in which, under the veil of bankruptcy, repeated on several occasions, large fortunes have been amassed.

14. To what extent do relief acts in bankruptcy prevail?

I am not aware of the extent to which relief acts prevail.

MAKING AND LOSING.

15. Are fortunes readily made and lost?

Fortunes are not rapidly made, as there is little industry, and all enterprise is thwarted. The principal source of gain has, hitherto, been the Government, but through its suspension of payment great losses have been occasioned. Large fortunes in Turkey are few. Landed property brings meager returns, owing to brigandage and the want of roads. Mining is unremunerative, on account of the many restrictions with which it is surrounded and hampered. It is difficult to discover what a man's fortune is, but I think there are but one or two whose fortunes exceed \$2,500,000, and very few who have over \$500,000.

GENERAL EFFECTS OF CREDIT.

16. What are the general effects of credit?

The general effects of credit are the temporary relief of people's wants, and the means of selling what would otherwise be unsalable. Its ultimate result is detrimental to the purchaser, owing to the enormous increase in the price of the article purchased, and to his being ultimately compelled to sell his property, if he has any, to meet the claims on him.

I apprehend that the answers I have given to the interrogatories in the circular will be found rather meager, but hope they will suffice to give a general idea of the laws that govern trade in this country.

G. H. HEAP,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Constantinople, August 27, 1883.

RUSSIA.

ST. PETERSBURG.

REPORT BY CONSUL-GENERAL STANTON.

1. Credit is the soul of trade in Russia.
2. The people are particularly prone to making debts.
3. There are no sumptuary laws or regulations concerning credit.
4. From one-half to two-thirds of the business of Russia is done on credit. In some branches nearly the entire trade is done on credit, and, generally speaking, trade in Russia would be impossible without it.
5. It is most difficult to estimate the percentage of losses. The universal demand for credit necessitates the greatest caution in according it. The average losses would probably range from 5 to 6 per cent.
6. Artisans are generally compelled to pay cash.
7. Cash buyers in the wholesale trade receive from 2½ to 3 per cent. discount, while in the retail trade they may be allowed from 5 to 10 per cent., though generally the retail trade is carried on on a cash basis.
8. Interest is demanded only on extended time accounts.
9. The laboring classes being, as a rule, refused all credit, the other classes are the ones most addicted to borrowing, and conspicuous among these classes are the nobility and many of the officials.
- Leather, hides, grain, wood, wool, raw materials, and articles of necessity generally command cash.
11. Credits of record are largely prevalent among the moneyed classes, there being scarcely a house in St. Petersburg which is not or has not been mortgaged.
12. The right to resume depends upon the good will of the creditors. If a compromise is effected, the bankrupt may at once resume; but a dissatisfied creditor, by a monthly payment of \$2.25, can keep the bankrupt imprisoned until the debt is paid.
- Bankruptcy is divided into three classes, viz, unfortunate, negligent, and fraudulent bankruptcy. The former may resume as soon as their affairs are settled up; the second (persons who have failed or been discredited) can resume after a certain interval, greater or less, according to the degree of negligence; and the last, being punished with banishment to Siberia, can never resume.
13. Failures are extremely frequent. A compromise is generally ef

fect, and the insolvent merchant resumes at once. His standing is not affected by his failure, and it is often stated that a threefold bankrupt is a wealthy man.

14. There are no relief acts in bankruptcy.

15. Fortunes are easier lost than won. Except in speculative business, fortunes are not readily accumulated.

16. Credit is essential to the conduct of business in Russia; but its great prevalency, the long time demanded—often nine and twelve months—and the general tendency to borrow more than can be paid, work deleteriously on the public welfare.

EDGAR STANTON,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
St. Petersburg, May 15, 1883.

ODESSA.

REPORT BY CONSUL PAUL.

In reply to the interrogatories contained in circular dated 15th May, 1882, I have the honor to report that trade credit, as known in the United States and Western Europe, does not exist in Southwestern Europe, the productions of the country, cereals, oil-seeds, flax, hemp, wool, petroleum, tobacco, wine, &c., being sold for spot cash.

On imported goods, chiefly colonial productions, three or four months' credit is given, to a limited extent only, as the heavy duties paid in gold coin, now at a high premium, prevent the granting of long or easy terms of payment.

Mechanics and laborers rarely receive any credit, and when given it is only for a short time, and high rates are exacted.

Credits of record, chiefly real-estate mortgages, are prevalent among all classes.

Real bankruptcy is not at all frequent, and very few losses occur here, the indebtedness being, as a rule, to houses in England, Germany, and France. Usually some private arrangement is made with the creditors, who prefer to accept a compromise rather than go through the courts, which is not a question of months, but of years, and in the end the results are much less advantageous than an amicable settlement at the time of the embarrassment, and not the slightest obstacle exists for those who have once failed or have been discredited resuming business again.

Fortunes are readily made or lost, as the fluctuations in prices are very great, everything depending upon the state of the markets abroad for breadstuffs and wool, our chief articles of export, and in which there are large transactions, but not on a scale equal to those carried on in the chief business centers of the United States.

All the most important enterprises, also the smaller trading, being in the hands of one class of individuals, and in consequence of the peculiar manner in which business is conducted, the system of credits as known abroad cannot exist.

Cash is paid for all necessities of life, and house rents are paid from three to six months in advance.

FULTON PAUL,
Consul.

UNITED STATES CONSULATE,
Odessa, May 15, 1883.

REVAL.

REPORT BY CONSULAR AGENT MAYER.

1. Credit stimulates trade, as it enables the people of little or no means to trade.

2. The people generally are not averse to contracting debts.

3. Sumptuary laws there are not; regulations there are, so far as the banks are concerned, which stand under Government control.

4. It is very difficult to estimate the extent to which credit prevails, as the amount of credit varies very much according to the nature of the business. The wealthy classes buy always on credit, and although less numerous than the poorer classes, will nevertheless draw the balance of trade in their favor.

5. The extent of losses incidental to business will not be large, as failures are very seldom and only among small tradesmen.

6. Mechanics and laborers do not get credit to any extent.

7. Cash buyers have very seldom any advantage by it, having to pay same prices.

8. Interest is not demanded on time accounts.

9. To reply to this query would be to admit that credit is an evil.

10. All produce brought to market from the country, as well as malt liquors, spirits, tobacco, and also articles of luxury, yield cash returns.

11. Credits of record are prevalent among the wealthy classes.

12. A person having failed in business can generally easily resume as soon as an agreement with his old creditors has been come to, and if the cause of failure as misfortune. On the other hand, through bad management a bankrupt will lose all credit.

13. Bankruptcy occurs very seldom at this place.

14. Relief acts in bankruptcy have so far been unnecessary.

15. Fortunes are not made very fast nor lost in a short time in this town or province, as trade is carried on here in a steady manner, without any wild speculation.

16. The general effects of credit are to further trade, enabling many active but poor people to trade, *i. e.*, supply the wants of the community.

WALDEMAR MAYER,

Agent.

UNITED STATES CONSULAR AGENCY,

Reval, May 15, 1883.

WARSAW.

REPORT BY CONSUL RAWICZ.

Does credit stimulate trade?

Credit greatly stimulates the local trade, being its principal basis.

Are people averse to contracting debts?

The people of the country would readily contract debts if they could.

Are there any sumptuary laws or regulations concerning credit?

There are no sumptuary laws here, and the credit engagements are regulated by the commercial code of Napoleon I, with the Russian proceedings.

To what extent does credit prevail in proportion to the volume of business?

At least one-half of every business is based on a credit.

To what extent do losses incidental to business prevail?

It is said that the local merchants sometimes sustain losses of 50 per cent., and sometimes they lose even their whole primitive capital.

Do tradesmen extend credit to mechanics and laborers readily?

Tradesmen readily extend their credit to skillful mechanics, but hardly to laborers.

What advantage have cash buyers?

Cash buyers obtain usually an abatement of from 10 to 15 per cent.

Is interest demanded on time accounts?

Debtors on time accounts must pay an interest of from 9 to 12 per cent., and sometimes more.

With what classes are the evils of credit most conspicuous?

The evils arising from abuses of credit are conspicuous particularly among the Jewish merchants in their anxious endeavors to make their fortunes.

What kind of produce or manufactured articles command cash returns?

The articles of the first necessity and of daily use command always cash returns.

Do credits of record (mortgages, judgments, &c.) prevail; and, if so, among what classes?

Mortgages are chiefly prevalent among large landed properties and also in the towns of Warsaw and Lodz.

When a person in business has once failed or has been discredited, can he resume, and what are the obstacles to such resumption?

Every person can resume business without obstacles as soon as his former debts are paid.

Is bankruptcy frequent?

As the local merchants endeavor to carry on only solid business, therefore bankruptcies are not frequent.

To what extent do relief acts in bankruptcy prevail?

There exist no relief acts in this country; and as to the reliefs on the part of the creditors, they depend in general on the character of the bankrupt and his assets.

Are fortunes readily made and lost?

It is exceedingly difficult to make a fortune here, whereas to lose is very easy.

What are the general effects of credit?

A steadily increasing prosperity of this country is generally attributed to the influence of credit.

JOSEPH RAWICZ,
Consul.

UNITED STATES CONSULATE,
Warsaw, June 18, 1883.

CONTINENT OF AMERICA.

NORTH AMERICA.

DOMINION OF CANADA.

MONTREAL.

REPORT BY CONSUL-GENERAL STEARNS.

I have the honor to acknowledge receipt of your circular dated May 15, 1883, requesting me to prepare a report on the system of credits which prevails in my district, and particularly to reply to certain interrogatories submitted by the Board of Trade of Scranton, Pa. In accordance therewith I beg to transmit the following:

PREVALENCE OF CREDITS.

It seems to be generally admitted that credit, limited within reasonable bounds and legitimately used, stimulates trade and is productive of good results.

The experience of merchants and traders in this city and throughout the Dominion has been that the credit system is of great assistance in developing and sustaining all business enterprises.

Following the utter stagnation of eight or ten years ago, and brought about largely by the coincident establishment of a protective tariff, and the opening up to settlement and cultivation of the immense wheat-growing territory of the Northwest, Canada has for the past few years been enjoying unparalleled prosperity. The harvests have been exceptionally good; manufactories, particularly of woollen and cotton goods, have been largely extended; many new industries have been established; foreign trade has been active; and labor, whether in the field, in the factory, in the shop, or in the house, has commanded remunerative wages.

The new towns and villages which have sprung up with great rapidity along the line of the Canadian Pacific Railway, and the farms and ranches of Manitoba and the Northwest, have furnished an ample market to the large wholesale and jobbing houses and the manufactories and workshops of Montreal.

Under the influence of the encouraging demands from these sources, and with expectations which until recently even the most conservative have allowed themselves to indulge in, that these demands would continue if not increase, credits were more and more freely extended to retailers, and by them in turn to their customers scattered all over the country, while the banks stood behind all, lending them money readily and profitably.

But the great extension in manufacturing, the establishment of many new industries which cannot be made immediately (if ever) profitable, the energy developed in public improvements, especially in railroad en-

terprises of immense magnitude, absorbed large amounts of money and changed much floating capital into permanent investments.

At about the same time a reaction set in in Manitoba, and especially in its chief city and commercial center, Winnipeg, and the recent failures of some large and many small dealers, and a stagnation in business there, consequent upon an overstocked market and an overdone trade, have made all parties more cautious. The note of alarm was sounded by the president of the Bank of Montreal at the annual meeting of its stockholders a year ago, and attention was called to the immense lines of discount which this bank, in common with all the financial institutions of this province, were carrying; and the possibility that the seeming prosperity which a protective tariff and a large immigration have produced may not be real, and may ultimately end in disaster, is being seriously considered.

The usual results of an improper extension of business and carelessness in giving and taking credits are beginning to be dreaded, if not yet actually felt to a serious degree. The result is a tendency to take in sail and prepare against what is best avoided by timely preparations.

Much more care is taken than formerly in granting accommodations, and the financial standing and business character of dealers are more keenly looked into both by sellers and the banks.

In this part of the country, particularly in this province, there has always been a tendency to immoderately long credits and an abuse of the credit system.

In ordinary times, and while the demand for goods is active and traders are content with fair profits, it has generally been kept within controllable bounds, or, if allowed to go beyond them in some cases, no special harm has come from it. But as soon as the speculative spirit is aroused or legitimate trade shows signs of being overdone, or the crops, which are the foundation of prosperity, are less abundant than usual, the baleful effect upon the business of the country of this tendency to immoderately long credits becomes evident.

The practice which is very prevalent among the large manufacturing, jobbing, and wholesale houses of this city of selling through traveling agents, and establishing branch houses in the leading country towns, and the fierce competition thereby engendered, have a pernicious influence upon both seller and buyer.

Travelers and the managers of branch houses, in order to make returns satisfactory to their principals, and the principals themselves, in order to stimulate trade and work off accumulated stock, are led into making greater and greater concessions to buyers in length of credit and closeness of margin, and buyers, seduced by the hope, which long credits inspire, of being able to turn with large profits, load up with stocks entirely out of proportion to their means or the legitimate demands of their customers.

The first results of this forcing process are large sales returns which look well on the books, but which really represent not cash but accounts and notes, an extension of the business of the country, and apparent prosperity.

But the end is not yet. The retailer in his turn has been compelled to push his goods, and has sold a considerable part of them to people of doubtful responsibility, or, if in the country, to farmers who have bought on the faith of expected crops which a bad season prevented them from securing.

These people are unable to pay their accounts when they come due; the retailer is crippled for want of funds and is obliged to ask an exten-

sion and add six months more to his original credit, and finally, in too many cases, to compromise with his creditors.

A few cases of this kind seriously affect the wholesalers and jobbers, and paper profits contract until the balance is on the debit side of the account, and disaster and bankruptcy ensue.

DEBT AND SUMPTUARY LAWS.

Second. The people here, like those in the United States, show no aversion to contracting debts; the practice of giving and taking long credits, which I have referred to as so prevalent, encourages such a course.

The farmer will buy land indefinitely, if only the day of payment is put far enough way.

The mechanic or clerk has no hesitation in investing in a house and lot if the terms are easy.

If clothing and personal ornaments and the luxuries of life can be bought on credit, few persons have courage to resist the temptation to purchase beyond their necessities or their means.

Third. I know of no sumptuary laws or regulations concerning credits in this province; the people are governed by their own arrangements and customs in regard thereto.

Fourth. It is very difficult to say "to what extent credit prevails in proportion to the volume of business," but it is well known that many large traders have very small capitals, and the showing in this respect of some of those who have been compelled to suspend is suggestive.

I heard the remark made not long ago that \$5,000 in cash is all that a man needs to do a business of \$100,000 with. This is, of course, an exaggerated statement, but it serves to illustrate the prevailing opinion, and indicates approximately the real state of affairs. It would probably be safe to say that 90 per cent. of the business is on credit.

LOSSES, CREDIT, AND CASH BUYERS.

Fifth. The losses incidental to business vary all the way from 1 to 15 per cent. in the different branches of trade; the proportion is the largest in liquor and dry goods, while in lumber, hardware, and groceries the losses are comparatively small.

Sixth. Mechanics and laborers, indeed all classes of retail buyers, who have employment, and hence any evident means of paying, obtain credit readily from trades-people.

Seventh. The average time to cash buyers, taking business all through, is 5 per cent. discount; thirty days being considered cash.

The retail clothing stores, however, generally allow 10 per cent.; dry goods and fancy goods 4 to 5 per cent.; and provisions $2\frac{1}{2}$ per cent.

But at retail stores buyers, if at all responsible, are encouraged to keep accounts and settle quarterly or half yearly; indeed, in some cases it is really hard to resist the attempts of sellers to force buyers to open and keep accounts, and not pay cash and avail themselves of the discount. This tendency to encourage long credits is even more noticeable among wholesalers and jobbers.

Cash buyers do not receive the concessions granted so readily in most parts of the United States. The banks, anxious for opportunities to invest their immense capitals and deposits, encourage their customers to take notes, and make it an object to them by their ready accommodations and their specially low rates of discount to large dealers to refuse buyers much reduction for cash.

A practice has grown up, and prevails largely in some branches of business, of dating time accounts ahead often two or three months, which, with the nominal credit of six months, makes an actual credit of eight or nine.

INTEREST AND EVILS OF CREDIT.

Eighth. Interest is not demanded on time accounts until the first renewal, and often not until the second or third.

Ninth. The evils of credit are most conspicuous where it is most abused, *i. e.*, in those branches of business in which the system of long credits most prevails.

CASH PRODUCTS.

Tenth. Horses, cattle, lumber grain, and all other kinds of agricultural products, and a few special articles of manufacture, such as small patented articles, and those in rare cases only, command cash returns; everything else is sold on long credit.

CREDITS OF RECORD.

Eleventh. Credits of record are not particularly prevalent here, except judgments, the result of legal proceedings, and mortgages, merely to secure loans on real estate, or as a part of ordinary real-estate transactions.

Real estate is no more heavily mortgaged than in the United States; chattel mortgages, bills of sale, confessions of judgment are rarely used in this part of Canada.

There is, however, a provision by which a man may make a settlement upon his intended wife which becomes a first lien for the amount of the settlement upon the property he then has and he may afterwards acquire.

RESUMPTION AFTER FAILURE.

Twelfth. When a person in business has once failed, or been discredited, he cannot well resume until he has effected some arrangement with his creditors by which he is released from his obligations to them. There is no way of forcing a discharge from unwilling creditors.

Thirteenth. As I have before stated, there are some signs of a reaction from the prosperity of the past few years, and bankruptcies, or rather failures in business, are becoming more frequent than they were two years ago.

Fourteenth. There are no bankruptcy or insolvent laws in this province, those formerly existing having been repealed.

A trader who finds himself embarrassed, either voluntarily or to avoid judgments at law, assigns his property to trustees, and calls a meeting of his creditors, to whom he presents the alternative of a compromise upon the basis he may be disposed to offer, or such a share in his estate as may come to them after it has been liquidated by a trustee.

Fifteenth. Fortunes are made and lost with about the same readiness they are in the smaller cities of the United States.

Large amounts of money have been made within the past few years by the owners of cotton mills (although just now cotton mills are suffering from overproduction, and their stocks have fallen greatly in value),

and other manufacturing establishments, and by those who have gone into several of the large railway schemes, either as promoters, contractors, or suppliers of materials, but in general those who can be said to be rich have acquired their possessions by slow and steady accretions rather than in a rapid and speculative way.

Sixteenth. The general effects of credit as exhibited in this part of Canada I have indicated in the earlier part of this report. They seem to be the same here as in other parts of the world; beneficial if credit is legitimately used, disastrous if it is abused.

SEARGENT P. STEARNS,
Consul-General.

CONSULATE-GENERAL OF THE UNITED STATES,
Montreal, October 1, 1883.

CHATHAM.

REPORT BY COMMERCIAL AGENT BUFFINGTON.

There being no boards of trade or other organization for the compilation of commercial information or statistics in this district, it is extremely difficult to give satisfactory answers to the interrogatories submitted by the Department of State under date of May 15, 1883, but I have made use of the best sources of information at command and submit the following:

1. Does credit stimulate trade?

Yes; in this section of Canada credit prevails largely, and undoubtedly has the effect of stimulating trade, enabling men of small capital but of good business character to buy freely and realize on their goods in time to meet their payments to the wholesale dealer or manufacturer.

2. Are people averse to contracting debts?

Business men are not averse to incurring liability for stocks, being able to calculate with reasonable certainty as to what they will be able to realize by the time their paper becomes due. In a locality such as this, which is being constantly developed, and where the production is increasing rapidly, trade is comparatively steady, and the prudent trader can safely incur a reasonable amount of liability.

3. Are there any sumptuary laws or regulations concerning credits?

There are no sumptuary or other laws restricting credits, which at all interfere with the merchant or trader.

There is a law exempting from seizure for debt such articles of household goods as a family cannot well do without, but this only interferes with the restriction of credit to the laboring class.

4. To what extent does credit prevail in proportion to the volume of business?

In the mercantile trade between retailer and wholesaler credit is almost universal, varying from three to six months, four months being the customary time allowance. But a small proportion of the volume of business is for cash, certainly not more than 10 per cent. Between retailer and consumer the case is different, at least one-half of the trade being conducted on the cash basis.

Manufacturers selling to dealers generally allow two to four months, allowing a deduction of from 2½ to 5 per cent. for cash—a very little more than the cost of bank discount.

5. To what extent do losses incidental to business prevail?

I have no means of giving a definite answer to this question. Losses are frequently made, but as to what proportion they bear to the business transacted I cannot find.

6. Do tradesmen extend credit to mechanics and laborers readily?

Not unless recommended or after personal acquaintance.

Under the landlord and tenant law in Canada, the landlord has the first lien (after the municipal tax collector), and no mortgage or lien can be given on any article to place it beyond the reach of the landlord. This is a bar to credit, unless under circumstances noted in the first portion of this answer.

7. What advantage have cash buyers?

From 5 to 10 per cent., according to class of merchandise handled.

8. Is interest demanded on time accounts?

Only when they run over the usual time allowed, of, say, four months.

9. With what classes are the evils of credit most conspicuous?

The retail dealer,

10. What kind of produce or manufactured articles command cash returns?

All raw products of the forest and farm command cash, as do flour and provisions of all kinds. Manufactured goods are generally sold on time. In the case of farming implements a year is given, sometimes more; but this is an exceptional case; and when such credits are given, from 10 to 15 per cent. is added to the price.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Not in ordinary commercial transactions. Mortgages to raise money for building or farms and town property, and for farm improvements; but few traders raise money in this way for their general business.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

There is no bankrupt law in force in Canada, and when a person fails in business, resumption depends entirely upon the good will of his creditors. As a rule, a trader who can account for his losses and show that they have not been caused by dishonesty or incompetency, has no difficulty in effecting a satisfactory settlement with creditors, by which he is able either to resume or close out free from further liability.

13. Is bankruptcy frequent?

Bankruptcy has not been frequent in this district of late years. A succession of extraordinary good crops, and a fine market in the United States for products of the forest, account to a great extent for this happy state of affairs.

14. To what extent do relief acts in bankruptcy prevail?

There is no relief act for bankrupts. An insolvent can only obtain his discharge by the unanimous consent of his creditors.

15. Are fortunes readily made and lost?

Not as a general rule. Transactions are not of such extent that any very large amount can be made or lost, and the well-to-do people here have made their money slowly.

16. What are the general effects of credit?

A question of so wide a range that I cannot intelligently and satisfactorily answer it.

H. C. BUFFINGTON,

United States Commercial Agent.

UNITED STATES COMMERCIAL AGENCY,
Chatham, Canada, June 15, 1883.

CLIFTON.

REPORT BY CONSUL LOW.

In compliance with your request by circular of date May 15, 1883, I have the honor to submit the following report based upon such information as I could obtain by observation and from inquiry among the business men of my consulate. I have taken up your interrogatories in their order.

1. Does credit stimulate trade ?

That judicious credit does there can be no doubt; by this I mean that where care is exercised in giving credit to those who, from their habits of industry, sobriety, and careful business management, are likely to pay, it is a stimulant to trade.

2. Are people averse to contracting debts ?

Unfortunately, as a rule, they are not ; many live beyond their means because of their ability to get credit.

3. Are there any sumptuary laws or regulations concerning credits ?
There are none.

4. To what extent does credit prevail in proportion to the volume of business ?

A very large proportion of business is done on credit—fully one-half.

5. To what extent do losses incidental to business prevail ?

Losses are variously estimated at from 2 to 5 per cent. upon the amount of credit business done.

6. Do tradesmen extend credit to mechanics and laborers readily ?

They do, only denying it to those who from dishonest or intemperate habits are not likely to pay for the necessities of life ; they are the more likely to grant such credits from the fact that a debt can readily be collected from any mechanic or laborer who has regular employment, the law providing that his pay may be garnisheed by his creditor.

7. What advantage have cash buyers ?

Wholesale buyers secure a liberal discount for cash, but the purchaser at retail gets but very little advantage over the credit buyer.

8. Is interest demanded on time accounts ?

It is not generally, unless the credit is a long one—a year or more.

9. With what classes are the evils of credit most conspicuous ?

Two classes suffer from the evils of the credit system—the working-man, because of his liability to live beyond his income; credit being granted him, he often buys what he would and could well do without if he were to pay cash ; and with the gentleman of limited fortune but extravagant tastes who seeks to “keep up appearances” and live in the style of a man of independent fortune; and, of course, the creditor, who suffers when the day comes, as it surely does, when these two classes cannot pay their just debts.

10. What kind of produce and manufactured articles command cash returns ?

All farm produce brings cash ; manufactured articles are usually sold on short credits.

11. Are credits of record (mortgages, judgments, &c.) prevalent ; and, if so, among what classes ?

There are many mortgages recorded, mostly against farm property, but few judgments.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption ?

He can resume, and the only thing necessary is the consent of his

creditors, which he can usually secure by making an assignment for their benefit.

13. Is bankruptcy frequent?

It is not at present.

14. To what extent do relief acts in bankruptcy prevail?

There are no such acts now in force.

15. Are fortunes readily made and lost?

Fortune is the result of long and diligent effort and labor, and is much more easily dissipated than secured.

16. What are the general effects of credit?

In the judgment of all classes, evil and only evil as a rule; it leads men to live beyond their income; they are induced to buy what they could do without, forgetting that pay-day will eventually come; instead of economy it favors extravagance; instead of competence and comfort, which should be the fruit of faithful effort, it brings debt and misery.

JAMES LOW,
Consul.

UNITED STATES CONSULATE,
Clifton, July 17, 1883.

COATICOOK.

REPORT BY CONSUL CRAWFORD.

In complying with the instructions contained in Department of State circular of May 15, 1883, requiring "reports on the system of credits which prevail in, and their relation to, and effect on, the general prosperity of the several countries," I have to state, that in order to enable me better to furnish the facts required, I took the liberty of consulting with a large number of retired merchants, as well as with those now in trade.

I find it necessary to treat the subject during two periods in the history of this consular district.

1. Does credit stimulate trade?

Prior to the financial crisis of 1874 business was largely conducted on the credit system. Trade was stimulated thereby. Goods were bought and sold on long credits. Merchants made it a rule to settle all accounts with their customers at the close of each year. Those not able at the time of settlement to pay cash gave their notes, and in many cases secured their payment by executing mortgages upon their farms or homesteads. Another year's credit trade found the debts increased and other notes and mortgages given. This practice was quite general until the hard times of 1874 came upon them, when the debtor found himself overburdened with debts and unable to liquidate. Suits were commenced, judgments obtained, mortgages foreclosed, and the property passed to the creditor, and many of the merchants at that time were able to retire with an ample fortune, while the debtor, stripped of his all, was forced to begin again at the bottom of the ladder.

2. Are people averse to contracting debts?

The lessons taught by the panic of 1874 have not been forgotten. Since that time the people have been averse to contracting debts, and business has been conducted more on the cash principle. Those worthy of credit do not desire it; those not worthy cannot procure it.

3, 4. Are there any sumptuary laws or regulations concerning credits

To what extent does credit prevail in proportion to the volume of business?

The laws for collecting debts now in force in the Dominion are in many respects similar to those of some of our Western States. A creditor has a right before obtaining judgment to attach the goods and effects of his debtor, provided the plaintiff produces an affidavit establishing that the defendant is personally indebted to him in a sum exceeding \$5; that the defendant absconds or is about immediately to leave the province, or is secreting his property with intent 'to defraud his creditors, and the plaintiff in particular; or that the defendant is a trader; that he is notoriously insolvent; that he has refused to arrange with his creditors, or to make an assignment to them, or for their benefit, and that he still carries on his business; and in either case, that the deponent verily believes that without the benefit of the attachment the plaintiff will lose his debt or sustain damage.

After judgment, the moneys seized, after deducting the duties thereon and taxed costs, may be paid by the sheriff to the seizing creditor, if no opposition for payment has been placed in his hands; otherwise he must return them into court and await the order of court thereon. If there are other creditors, they may petition to the court, stating their claim and alleging the insolvency of the debtor; the distribution of the money cannot then take place until his creditors have been called in, by order of court, requiring them to file their claims within fifteen days from the date of the first insertion. This order has to be published twice in the French and English languages in the Quebec Official Gazette. The creditors who file and maintain their claims share alike in the distribution. This law makes no provision for the discharge of the debtor from future liability to pay any deficiencies found to exist, on such distribution, should he ever again acquire property.

5. To what extent do losses incidental to business prevail?

The extent of losses incidental to business since 1874 has been small, and does not exceed 5 per cent. Under the long credit system that prevailed previous to that time losses were much greater, and in the year of the panic, 1874, it reached nearly, if not quite, 25 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

Tradesmen do not extend credit to mechanics and laborers readily, except to those who may be fortunate enough to own their homestead and are regarded as permanent residents. The great proportion of the laboring men of Canada are rather transient, and are liable at any time to remove to the United States or to some other section of the Dominion, and tradesmen are cautious about extending to this class any credit. Those employed in the manufacturing establishments who receive their wages at stated periods can generally procure credit for that time for small amounts at cash prices, but should they fail to settle the account on pay-day they are no longer trusted.

7. What advantage have cash buyers?

Merchants can save 12 per cent. by buying for cash; consumers can save at least 10 per cent. The general rule that existed under the credit system was, that when a person bought one dollar's worth of goods—one dollar being the cash price—if put upon the books, or, in other words, charged, it was made one dollar and ten cents, and on the 1st of January the account was settled and that amount either paid or put into a note, and the note bearing interest. If the credits were given the first part of the year, there would not be much reason to complain, but when this rule extended even to the last day of December it became a great burden to the consumer. If by general average it was six months, tha

is, the amount charged from January 1 to June 30 was the same as from July 1 to December 31, it will be seen the credit buyer paid an interest that must prove ruinous to those of small means, or those who depended upon their daily labor for the support of themselves and families. If the amount charged was the same each month of the year—and with families who purchase all their supplies, the amount does not vary materially—it will be quite evident that the credit buyer, paying 10 per cent. for the accommodation, is in fact paying over 30 per cent. interest upon the account.

As remarked to me by one now retired upon a fortune accumulated under this system, "it was an illustration of the story of the boys and the frogs: 'Fun for us, but death to the debtor.'"

8. Is interest demanded on time accounts?

Interest, as a rule, is not demanded on time accounts. The discount made to cash buyers, or rather the extra 10 per cent. charged to credit buyers, is the mode adopted to obtain interest on time accounts; and much better for the merchant.

9. With what classes are the evils of credit most conspicuous?

The evils of the credit system have been felt most by two classes, viz: The consumer and trader with limited means at his command. The merchant or manufacturer who had his whole capital invested in his business, buying and selling on credit, found, when the money market became close, business dull, labor unemployed, with no ready money, his goods trusted out to those who could not pay if they would, he in turn called upon to pay his bills, himself driven to the wall and forced to seek relief in bankruptcy, where what available assets he might have were transferred to the assignee for the assignee's benefit, if not for the benefit of his creditors.

10. What kind of produce or manufactured articles command cash returns?

The products of the soil command cash returns. There is nothing raised or sold from the farms in the Eastern Townships but what finds a ready market for cash, and for that reason the farmers do not require or desire credit. The term "Eastern Townships" used above is a local appellation to designate the eastern tier of towns in the Province of Quebec, bordering on the line that separates the province from Vermont and New Hampshire, and are rich in agricultural resources. The higher-priced agricultural implements are sold on credit when desired.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Since 1874 there have been but few mortgages or judgments recorded to secure debts. The mortgages that have been given are in most cases to secure some portion of the purchase money given for the previous mortgages.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

When a person has once failed the greatest obstacle in the way of resumption is, that there is no law by which he can be released from his liabilities, from the fact that there is not at the present time any bankrupt law in the Dominion.

13. Is bankruptcy frequent?

14. To what extent do relief acts in bankruptcy prevail?

Bankruptcy is not frequent. The law that was in force in Canada until April 1, 1880, allowed the discharge of the bankrupt without regard to the amount of the dividends paid. The evils of the working of this law were so great, the assignee consuming a large proportion

of the bankrupt's estate, that boards of trade and others petitioned Parliament for its repeal, and an act repealing the same was passed April 1, 1880. Since the repeal of this law no relief can be obtained by any law, and those who have failed must procure the personal release of their creditors, pay their debts in full, or retire from business.

15. Are fortunes readily made and lost?

Fortunes in an agricultural community like this are not readily made. Long years of labor, habits of economy, and close attention to business have enabled many to retire from active industry with a fair fortune. Nothing like wild speculation exists, by which fortunes are readily made or lost. There are very few within this consular district who in the great centers of trade would be called rich, yet many have been successful.

12. Should I attempt to answer the last interrogatory, What are the general effects of credit? in any other manner than contained in the statement of facts as given above, it might be considered mere speculation, which the circular says "should be entirely ignored." Taking the general prosperity of the people, the improved condition of all classes as they exist at the present time under an almost entirely cash system of doing business, and comparing it with the period when long credits were given, followed by bankruptcy, financial ruin, and distress, it may be, "best to leave the public to draw its own conclusions therefrom."

JOHN G. CRAWFORD,

Consul.

UNITED STATES CONSULATE,
Coaticook, June 8, 1883.

OTTAWA.

REPORT BY COMMERCIAL AGENT ROBBINS.

In compliance with the request contained in a circular issued by the State Department, dated May 15, 1883, that answers be given to certain questions propounded by the Board of Trade of Scranton, Pa., I beg leave to submit the following report, answering the interrogatories in the order given in said circular, as follows:

1. Does credit stimulate trade?

Yes.

2. Are the people averse to contracting debts?

Considerable caution is observed in incurring liabilities, for the reason that there is no homestead law in the Province of Ontario, and only the following chattels are exempt from execution, viz:

- (1) The bed, bedding, and bedsteads in ordinary use in the debtor's family.
- (2) The necessary and ordinary wearing apparel of the debtor and his family.
- (3) One stove and pipes, one crane and its appendages, one pair of andirons, one set of cooking utensils, one pair of tongs and shovel, one table, six chairs, six knives and forks, six plates, six tea-cups and saucers, one sugar bowl, one milk jug, one teapot, six spoons; all spinning-wheels and weaving-looms in domestic use, ten volumes of books, one axe, one saw, one gun, six traps, and such fishing nets as are in common use.
- (4) All necessary fuel, meat, fish, flour, and vegetables actually provided for family use, not more than sufficient for the ordinary consumption of the debtor and his family for thirty days, and not exceeding in value the sum of \$40.
- (5) One cow, four sheep, two hogs, and food therefor for thirty days.
- (6) Tools and implements of or chattels ordinarily used in the debtor's occupation to the value of \$60.

(7) Bees reared and kept in hives to the extent of fifteen hives.

Nothing herein contained shall exempt any article enumerated in subdivisions 3, 4, 5, 6, and 7 from seizure in satisfaction of a debt contracted for such identical chattel.

4. To what extent does credit prevail in proportion to the volume of business?

Probably one-half.

5. To what extent do losses incidental to business prevail?

Estimated at from 20 to 30 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

Yes.

7. What advantages have cash buyers?

No special advantages except that many merchants allow a discount of from 5 to 10 per cent. for cash.

8. Is interest demanded on time accounts?

The legal interest is 6 per cent. per annum, but by contract a greater rate is allowed, and many dealers by agreement charge 7, 8, and 9 per cent.

9. With what class are the evils of credit most conspicuous?

The small dealers.

10. What kind of produce or manufactured articles command cash returns?

The necessities of life.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Mortgages are prevalent, but principally for the purpose of securing the unpaid balances of purchase money, or for improvements, and are from all classes in the community. Judgments do not prevail to any great extent, and are had principally against small dealers, tradesmen, and speculators.

12. When a person in business has once failed, or has been discredited, can he resume; and what are the obstacles to such resumption?

There is no difficulty whatever in the way of such a person resuming business; the creditors, as a rule, are very lenient, and a compromise is easily effected; in fact, it is said to be one of the objections to doing business here that insolvents are too readily permitted to launch out again in business to the detriment of the merchant who pays 100 cents on the dollar.

13. Is bankruptcy frequent?

Not at present. All branches of industry are seemingly in a fairly prosperous condition.

14. To what extent do relief acts in bankruptcy prevail?

None exist.

15. Are fortunes readily made and lost?

Fortunes are not, as a rule, quickly made, and as a consequence are not readily lost. There has been considerable speculative capital invested in phosphate lands in this vicinity, but as the mining operations thus far have been on a comparatively limited scale, it is too early to predict what the results may be when this new industry, now in its infancy, is fully developed.

16. What are the general effects of credit?

In my opinion the general effects are greater activity in business, and hence are not objectionable so long as kept within proper restrictions.

R. B. ROBBINS,
Commercial Agent.

UNITED STATES COMMERCIAL AGENCY,
Ottawa, June 14, 1883.

PORT STANLEY AND ST. THOMAS.

REPORT BY COMMERCIAL AGENT CARROLL.

In conformity with the circular of May 15 last, I have now the honor to state that, after due investigation and mature consideration, I am enabled to answer the questions propounded by the Board of Trade of Scranton, Pa., in connection with the system of credit which obtains in this district, as follows, viz:

1. Does credit stimulate trade?

At certain seasons there is a comparatively small amount of money in circulation, and were cash payments insisted upon it would have an adverse effect on trade. In this district manufacturers and dealers are principally confined to a local or Canadian market. Credit is usually limited to four months. The exports consist chiefly of lumber, grain, and cattle, for which cash is, as a rule, received.

2. Are people averse to contracting debts?

The majority of ambitious people with limited means have no aversion to contracting debts, while those of comparatively easy circumstances are averse thereto. The latter class appear to be in the majority in this district.

3. Are there any sumptuary laws or regulations concerning credits?

People who are extravagant in their mode of living are treated with caution, and unless, after investigation, they prove to be financially correct, find it very difficult to obtain credit, while those who live economically, although their means may be limited, are generally treated better.

4. To what extent does credit prevail in proportion to the volume of trade?

About 60 per cent.

5. To what extent do losses incidental to business prevail?

About 3 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

There is a large amount of credit extended to this class by small dealers in groceries and provisions, who carry to excess a system of "pass books," by which they claim to make large profits, and which leave them a handsome margin over all losses which may ensue. The majority of other tradesmen do not credit this class of the community.

7. What advantage have cash buyers?

They purchase wherever they can to the best advantage. In many cases they can dictate their own terms, and when goods are not "priced" on a cash basis they receive a rebate or discount of from 3 to 5 per centum.

8. Is interest demanded on time accounts?

Not until the time specified has expired; then it is customary to charge from 8 to 10 per cent. per annum.

9. With what classes are the evils of credit most conspicuous?

Small tradesmen, milliners, and fancy goods. Business in almost every branch is overdone; the number of business houses is increasing, while there is no corresponding increase either in the population or in their purchasing powers. Many jobbing houses have embarked in business during the last few prosperous years, and these come in contact with old-established firms whose connections have been made, and as the majority of the people are very conservative in their dealings, the jobbers referred to, in order to distribute their goods, encourage others to embark in the retail business, who very often lack practical

experience or sufficient means, and who with a view of gaining a share of business, cut prices when the margin is already small, and a war ensues, resulting in the failure of a number of those engaged, leaving the remainder financially reduced.

10. What kinds of produce or manufactured articles command cash returns?

Grain, flour, factory cotton, glass fruit jars, and cut nails.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Life assurance and fire insurance policies are frequently given to banks as security for advances, and to mercantile and manufacturing firms for merchandise, &c., by all classes of tradesmen. Mortgages are frequently given by mechanics and manufacturers on a small scale. Tradesmen object to raising money in this way, as a record of all mortgages is kept by officers of the Government appointed for the purpose, to which any one interested can have access, thereby, to a certain extent at least, learning the status of any person he may desire in this connection.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

When a person fails his creditors investigate his affairs. If they find that he has acted honestly and intelligently, doing all he could under the circumstances, they usually compound with him, and it generally follows that one or more of them assist him in resuming. If, however, his affairs should not be found satisfactory, any one or more of the creditors may refuse to sign his discharge, and if he attempts to resume in his own name, may sue and recover the full amount of their respective claims, provided he has sufficient means.

13. Is bankruptcy frequent?

As a rule, there are few failures in this district. It comprises a good agricultural section with large tracts of timber lands. Its population, which is mixed, evinces a large amount of caution, and, with the exception stated in question No. 9, are careful.

14. To what extent do relief acts in bankruptcy prevail?

There are none.

15. Are fortunes readily made and lost?

There are few wealthy men in this district. Those who are made their money by frugality and industry, and do not readily part with it in speculation. Hence fortunes are neither readily made nor readily lost.

In answer to the sixteenth and last question, it may be proper to say that there are divers opinions in this, as well as in other places, as to the general effects of credit. My own opinion concurs with that of the majority, viz, that credit judiciously extended has a beneficial effect, but if not, its effects are demoralizing and destructive to both creditor and debtor in many cases. The reasons for this are so obvious that I need not point them out for the information of the Board of Trade of Scranton.

PHILIP CARROLL.

Commercial Agent.

UNITED STATES COMMERCIAL AGENCY,
Port Stanley and St. Thomas, August 6, 1883.

SHERBROOKE.

REPORT BY CONSUL PARKER.

After careful inquiries made of the business men of Sherbrooke, I have collected the following answers to the interrogatories proposed by the Board of Trade of Scranton, Pa., so far as the same apply to this city and the territory immediately surrounding it:

1. Credit stimulates business so far as the development of industries and the improvement of the country are concerned.

2. People are generally slow to contract debts that are of sufficient magnitude to become embarrassing.

3. There are no sumptuary laws on the subject of credits except, it may be, the law of the province, which provides for the imprisonment of debtors in cases where they are attempting to leave the province, or conceal their property to avoid payment. In such case the debt must exceed \$40, and the judgment creditor upon whose motion the party is imprisoned must pay his board, and failure to do so for one week liberates the debtor. This law is never resorted to except for the purpose of holding absconding debtors, or, in rare instances, to obtain revenge.

4. About one-half the merchandise disposed of is sold on credits varying in length from thirty days to six months.

5. The extent of losses sustained by creditors is not large; from $1\frac{1}{2}$ to 2 per cent. probably. One large firm dealing in hardware, provisions, paints, oils, &c., having an annual trade of over \$100,000, reports less than 1 per cent. of losses.

6. Tradesmen readily extend short credits to mechanics and laborers. Such accounts are usually settled every thirty days. But when mechanics and laborers only receive their wages after longer intervals credits are arranged to suit. The per cent. of losses to tradesmen from this class of credits is very small.

7. Cash or prompt thirty-days' buyers are given discounts ranging from 3 to 5 per cent. This applies alike to small as to large buyers.

8. Interests are not charged to accounts until after maturity.

9. The evil effects of credit are most apparent in the cases of small dealers and manufacturers, who are sometimes tempted thereby to venture beyond their depth and make failures.

10. Provisions, grain, flour, groceries, iron, coal, nails, &c., command cash or thirty-days' acceptances.

11. Mortgage credits prevail here as elsewhere. Land buyers, who have not sufficient money to complete their payments, manufacturers, dealers, and others who own real estate and need money to use in business, are the principal borrowers upon securities of record.

12. The opportunities for parties who have once failed to resume business successfully are about the same as in the United States and depend largely upon the public estimate of their honesty and capabilities. While there is no compulsory legal release of debtors from payment, yet the custom of business men to release evidently honest insolvents has grown into a law which largely governs the business world of the province. There are no legal restrictions to prevent the released insolvent from resuming business.

13. Bankruptcies are about as frequent as in the adjoining portions of the United States.

14. There are no bankrupt laws except such as secure to creditors a fair division of the bankrupt's assets. Whatever favor the bankrupt receives must come from the voluntary acts of his creditors.

15. Fortunes are not easily made, but, as everywhere else in the world, they are remarkably easy to lose.

16. The country is comparatively new and undeveloped, and, as in all new countries, the general effects of credit are good, in that they stimulate the development of the agricultural, lumbering, and mining interests, give employment to labor, and build up the country with much greater rapidity than would be possible were no credits extended.

BENJ. S. PARKER,
Consul.

UNITED STATES CONSULATE,
Sherbrooke, August 4, 1883.

STANBRIDGE.

REPORT BY COMMERCIAL AGENT HARMON.

1. Does credit stimulate trade ?

Yes; in my opinion it does, in this section, as farmers will purchase more goods of the country storekeeper when given credit. In fact, nearly, if not quite, two-thirds of the adult male population of this consular district are unable to pay cash, not but that they are worth the money, but it being invested in real estate and stock for their farms, ready money is not always at hand to pay cash. If merchants were to demand cash, I think that their business would decrease very much, though I am of the opinion that if cash were demanded and no credit given it would be better for both buyer and seller, and in a short time the merchant would regain what business he had lost and would do a much surer business, but those merchants who have tried both the credit and the cash system find that they do more business by giving credit. In conclusion I would state that from my own observation credit does stimulate trade in this consular district. But whether for the good of the population, I cannot say.

2. Are the people averse to contracting debts ?

No, I think not; as in most countries where credit is given, the greater part of the people take it as a matter of course, and will contract debts whenever they can; in most cases in tending to pay, but in some not.

3. To what extent does credit prevail in proportion to the volume of business ?

Fully one-half of the amount of business done in this district is done on credit, varying from thirty to ninety days. There are but one or two banks in this district, and from what I can learn and know a large discount business is done by them.

4. To what extent do losses incidental to business prevail ?

The past two years have been remarkably good for business of every description, with few failures; farmers have been able to procure good prices for all kinds of produce; merchants have had very little trouble in making collections; speculators in farm produce have done very well, and the proportion of losses to the amount of business done is very small.

5. Do tradesmen extend credit to mechanics and laborers readily ?

Yes; in most cases they do, though of course there are exceptions; any honest man can always obtain credit to a reasonable extent.

6. Are there any sumptuary laws or regulations concerning credit ?

None that I am aware of.

7. What advantage have cash buyers?

They can buy for from 3 to 5 per cent. cheaper than credit, and in some cases as high as 10 per cent. off for cash.

8. Is interest demanded on time accounts?

In some cases interest is demanded after an account has been due for three months. Merchants do not demand interest on running accounts unless the account is a year or so due.

9. With what classes are the evils of credit most conspicuous?

With that class of people who desire to live beyond their means, credit enables them to do so for a time; owners or holders of small farms, clerks in all business, more particularly in banks, and in some of the working classes.

10. What kind of produce or manufactured articles command cash returns?

Hay, straw, all kinds of grain, horses, cattle, sheep, and lambs, wool, butter, hop-poles, hay, hoops, cheese, eggs, potatoes, hemlock bark, lumber, maple sugar, hides, both dried and green, &c.

11. Are credits of record (mortgages and judgments, &c.) prevalent; and, if so, among what classes?

Very few of the farmers have any incumbrance on their property at the present time; the past two years have been so prosperous with them that they have been enabled to clear themselves of debt in a great measure. As to the merchants and other traders, I have no means of ascertaining anything in regard to their financial standing, though I think it is very good.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

When a person in business finds himself unable to meet his obligations, he calls a meeting of his creditors, and in most cases will make a proposition to them, promising to pay so much on the dollar of his liabilities in one and in sometimes a number of payments. If his creditors, or two-thirds of them, agree to this, he resumes at once; if not, the creditors appoint a trustee, who is in most cases the principal creditor. The stock is then advertised to be sold for the benefit of the creditors, which is done, and the proceeds, if any, after paying expenses, are divided among the creditors in proportion to the amount of their claims.

The bankrupt is then released from all debts, and can again resume business if he can obtain credit again, which he usually can.

13. Is bankruptcy frequent?

No; not as much so as in former years. The years 1877, 1878, and 1879 were very disastrous to all kinds of business, but since then business has been growing better, and very little, if any, bankruptcy prevails at present.

14. To what extent do relief acts in bankruptcy prevail?

See question and answer in No. 12, which will cover this.

15. Are fortunes readily made and lost?

Fortunes are very hard to make in this district, but are very easy to lose.

16. What are the general effects of credit?

Bad.

F. HARMON,
Commercial Agent.

UNITED STATES CONSULAR AGENCY,
Stanbridge, June 12, 1883.

PRINCE EDWARD ISLAND.

REPORT BY CONSUL DUNN, OF CHARLOTTETOWN.

The undersigned begs leave to submit the following as his answers to the several interrogatories contained in your dispatch of the 15th of May, 1883, for the purpose of ascertaining the system of credits that prevail in this province and its effects upon trade, viz :

1. Does credit stimulate trade ?

In this province it certainly does. Being comparatively a new country, with very little capital, a very large portion of the trade is done in anticipation of the season's harvest and fishing, and unless credit was given the produce of these main industries would be very much lessened.

2. Are the people averse to contracting debt ?

No ; the very opposite.

3. Are there any sumptuary laws or regulations concerning debts ?

There are none ; imprisonment for debt was abolished in 1880.

4. To what extent does credit prevail in proportion to the volume of business ?

In towns sales are nearly in all cases made at four to six months' credit by wholesale dealers, and retail dealers give from three to six months. I should say that not more than 5 per cent. of the dealers do a cash business. In the country the farmers run accounts with the merchants, which are generally paid in the fall by the sale of their produce.

5. To what extent do losses incidental to business prevail ?

The answer to this question depends upon circumstances; every year is different. Some ten years ago the province built about 200 miles of railway, the construction of which gave good wages and plenty of work to laboring men. Farming products were bringing good prices in foreign markets; ship-building was carried on in wooden vessels for the English market, which found a ready sale and made money abundant, and their seeming prosperity continued about two years. About 1875 a reverse came; the expenditures on the railway ceased; the price of produce and ships fell off in the English market, and freights were so low that the owners of vessels had to run them at an expense instead of a profit. The consequence was that there were a great many failures among business men between the years 1875 and 1880, and the depression caused by these failures still exists to a considerable extent. Since 1880, however, failures have been less frequent; the volume of business has decreased and business is being done on a sounder basis.

6. Do tradesmen extend credit to mechanics and laboring men readily ?

Yes; when they are known to be industrious and sober men.

7. What advantage have cash buyers ?

With wholesale dealers cash buyers get a discount of 5 per cent., and from retail dealers a discount in many cases is allowed of 10 per cent.

8. Is interest demanded on time accounts ?

It is sometimes charged and paid, but it cannot be collected at law.

9. With what classes are the evils of credit most conspicuous ?

It is difficult to say. Bankers and traders have been the greatest sufferers, and the managers of the banks are responsible in a great measure for the loose system of credit which has prevailed in this province.

10. What kind of produce or manufactured articles command cash returns ?

Farm products and fish. Very little is done in manufacturing.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits of record prevail to the greatest extent among small farmers and traders. There are a number of heavy mortgages that were given by persons some years ago, who have since failed, and they remain unsatisfied.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

I can only say that failures have been so frequent here of late years that the obstacles in the way of resuming are not so great as in most places.

13. Is bankruptcy frequent?

A great many failures occurred between 1875 and 1880, but since that time there have been very few.

14. To what extent do relief acts in bankruptcy prevail?

There is no bankrupt law or relief act in force in the Dominion of Canada. One existed a few years ago, but it did not work well and was repealed. Persons becoming embarrassed financially now make an assignment for the benefit of the whole or a part of their creditors, as they may elect, but there is no law to relieve them from their unpaid debts.

15. Are fortunes readily made and lost?

This being a country devoted to agricultural pursuits, fortunes are rarely made. Our wealthiest men, ship owners and produce dealers, lost most of their wealth in the reverses of 1875. •

16. What are the general effects of credit?

The general effects of credit in this province I will leave to be judged of from the facts above stated. The traders and moneyed institutions have met severe losses, but the money has not all been lost to the country. A large percentage of it was paid to the farmers for produce, and was used in the improvement of their farms, and in bringing unimproved lands into cultivation, which have added to the resources of the country very largely.

D. M. DUNN,
Consul.

UNITED STATES CONSULATE,
Charlottetown, June 15, 1883.

MEXICO.

CITY AND STATE OF MEXICO.

REPORT BY CONSUL-GENERAL STROTHER.

GENERAL TRADE CREDITS.

1. Does credit stimulate trade?

It is generally considered that credit is essential to trade in Mexico, and that without it all the more extensive commercial transactions would cease and the leading business establishments would be obliged to close their doors. Nearly all the great mercantile houses in Mexico City and State sell largely on credits of from four, six, to eight months, and often for longer periods, and even the smaller dealers, venders of trifles, and hucksters in articles of common use and every-day neces-

sity, whose business is usually supposed to require ready money, are here more facile in regard to credits than in most other commercial communities with which I am acquainted.

CONTRACTING DEBTS.

2. Are people averse to contracting debts?

This question may be answered by a comprehensive negative. All classes of people who desire or need anything seem ready to go in debt to gratify their wishes or to supply their necessities. Without reference to a disproportionately large class of idle and vagrant population in the capital, who exist without work or any visible means of support, the laborers and working people generally seem to be poor and improvident, living continually from hand to mouth, luxurious in holidays and cheap display, and greatly addicted to drinking and gambling; hence, as the agricultural laborer rarely hesitates to involve himself in a quasi serfdom for life by accepting advances from his employer, which he is never able to repay, so one of the first developments of a city servant, workman, or employé of any grade is a request for an advance on his wages, to be expended or wasted before the work is completed or the engagement fulfilled. The natural tendency of these characteristics and habits is to produce a class of ready and reckless borrowers, always ready to take advantage of the unwary generosity or good nature of any friend or acquaintance that may be convenient, or to resort to the numerous pawnbrokers or licensed usurers with which the city abounds. A more respectable class of people, who are both willing and anxious to borrow money, are the numerous owners of real estate—city and country building sites, agricultural lands, mines, quarries, and manufacturing sites, and water-powers and forests of timber, susceptible of profitable development, but now useless or burdensome for lack of capital. In this class may be numbered the *ayuntamiento* or city council of Mexico, which issued propositions for a loan of two millions, to be expended in the improvement of the city, and the Federal Government itself, which is a bidder for a loan of twenty millions to enable it to meet the responsibilities incurred in carrying out the extensive system of internal improvements now in progress. Outside this last described class of borrowers which has been developed by the flattering prospect of permanent peace and the hopes of a brilliant and prosperous future for the Republic, it may be observed that the substantial and self-sustaining business men of the country are less speculative and more circumspect in their transactions than those of most other commercial communities, and are consequently less inclined to go in debt or to extend their business on borrowed capital. It may also be remarked that the conditions of social life here permit people to live with a degree of reserve and seclusion which is favorable to domestic economy, so that individuals or families of impaired fortunes, or whose social position is greater than their incomes, may practice a judicious and honorable economy in their mode of living without fear of losing caste or of subjecting themselves to the criticism of a prying and vulgar public opinion. It may be added, in conclusion, that the proverbial Spanish sentiment of honor in regard to debts contracted, or pecuniary engagements undertaken, is well understood and maintained in Mexico among merchants and traders, as among the steadier individuals of all classes, and as a rule credit is more readily given and less frequently abused than it is usually in more enterprising and speculating communities.

SUMPTUARY LAWS.

3. Are there any sumptuary laws or regulations concerning credits?

There are, properly speaking, no sumptuary laws in Mexico, and no laws or regulations which affect in any manner the right of any citizen or stranger to live, dress, eat or drink, to borrow or lend, to earn or spend as much as he may be able or willing to do. The laws touching the legal status of debtor and creditor, the securities for debts and their manner of collection, pertain to State legislation, and are varied as the diverse interests of different localities may have suggested. The *Código civil*, containing the digested laws for the Federal district and the territory of Lower California, has, however, served as a model for the codes of most other States.

PREVALENCE OF CREDITS.

4. To what extent does credit prevail in proportion to the volume of business?

It is estimated that the business of the country is about equally divided between cash and credit, although there are no data to enable us to answer this inquiry with anything like precision. The political agitation and uncertainty which has so long prevailed in this country has had the tendency to make merchants and money-dealers very cautious and reticent in their business transactions, and the silence or unreliability of the laws during the continually recurring periods of revolutionary violence has also tended to develop a higher estimate of and a greater reliance on mercantile integrity and personal honor between the creditor and the debtor than is usual in more fortunately situated commercial communities. It may be further noted, in explanation of these facts, that Mexico has been for so many years isolated and out of reach of the great currents of commerce and emigration, and the number of merchants and reliable customers so very limited in proportion to the population that they have thus had opportunities to become sufficiently well acquainted with each other to make credits easy and safe, as is generally the case in small and isolated communities. Neither should we omit to estimate the probable influence of the church on questions of mercantile morality viewed strictly from a business standpoint. The Mexican clergy were formerly and until very recently the best educated and most powerful class of men in the state. They controlled corporately and individually the great portion of the wealth of the country, which they used in extending and consolidating their power and influence, as bankers, money-lenders, leasees and mortgagees of real estate, and depositaries of movable properties. They were constrained by the position and aims of their order to exercise the functions of "creditor" with dignity, and, by their interest, to impress their clients and debtors with a proper sense of the sacredness of pecuniary obligations and responsibilities. Since the "nationalization" or confiscation of all the visible property of the church, and its inability under the present régime to hold real estate, the influence of the clergy in material matters has undoubtedly declined, but the habits, conduct, and opinions of society are still to a great extent controlled by the traditions and teachings of the church.

LOSSES, CREDITS, AND CASH PURCHASES.

5. To what extent do losses incidental to business prevail?

It is estimated that the average losses in this city do not exceed 5 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

This question may be answered affirmatively, as it is already answered in the replies to interrogatories Nos. 2 and 4.

7. What advantage have cash buyers?

Those who purchase for cash generally obtain a discount of from 4 to 6 per cent. on general merchandise, and from 6 to 8 per cent. on dry goods and hardware. These discounts represent the credits of four, six, and eight months that are usually given on the classes of goods respectively named, which is actually a discount of 1 per cent. a month on the values of the goods sold, and adding thereto $2\frac{1}{2}$ per cent. annually for commission or guarantee.

INTEREST, EVILS OF CREDIT, AND CASH PRODUCTS.

8. Is interest demanded on time accounts?

Only when such accounts are overdue; the interest on time sales being represented by the discounts made on cash sales.

9. With what classes are the evils of credit most conspicuous?

In Mexico, as elsewhere, the evils of credit are most apparent among the idle, vicious, and non-producing classes; as described in the answer to interrogatory No. 2. The class of salaried employes and officials also suffers from the demoralizing influence of easy credits.

10. What kind of produce or manufactured articles command cash returns?

Hardware, cotton, and woollen goods manufactured in the country, as also live stock and other agricultural products.

CREDITS OF RECORD.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what class?

Formerly credits of record were rarely given. The old Mexican laws regulating mortgages were very defective, as they presumed the right of the creditor to make his debt embrace all and every class of property that the debtor possessed, and that this universality of recourse gave the most sufficient and ample security. But practically this system of general hypothecation rather served to facilitate frauds and furnish opportunities for endless litigation. When the London Bank of Mexico and South America was established in this city, about twenty years ago, it began to operate in loans and mortgages on real estate, influenced doubtless by the banking traditions of Europe. But after some experiences in the practical inconveniences of the laws, the delays incident to legal proceedings, and the impossibility of finding bidders at the sales, it promptly abandoned this class of operations, and has since resolutely refused to entertain them under any circumstances. Recently, however, by the revised code of 1880, the principal defects of the laws and legal proceedings have been remedied.

Mortgages now are drawn so as to bind special and designated real properties, and are only valid from the date of their registry in the public office established for that purpose.

Mortgages, including the costs of foreclosure and sales, have precedence of all other debts or claims against the property involved, and have precedence in their class according to the dates of their registration. Judgments against real property are also required to be registered, and rank with mortgages as debts of the first class. Judgments

against personal or movable property are not required to be registered, and rank as debts of the third class. If a mortgage has not been fully satisfied by the proceeds of the property especially bound, the deficiency may be made good from the residue of the debtor's property, subject to debts of the fourth class.

The most common and direct method of raising money in Mexico, formerly or at present, is by depositing movable property with the lender as a pledge for repayment, with interest, costs, and charges, and upon certain expressed conditions. The possession of this property by the lender is a security of the first class, and ranks with a first mortgage, with the advantage of simplicity in the foreclosure, for if the property is not redeemed at the date fixed the holder may proceed at once to sell without legal ceremonies.

To facilitate this sort of business the *Monte de Piedad*, or national pawnbroking establishment, was founded about a century ago, which now has eight branches in this city and an active capital of about \$1,500,000. There are, besides, about sixty licensed establishments of like character in the hands of private individuals, besides a great amount of irregular and invisible business transacted upon the same principle, but unprofessionally.

Thus while it was convenient and easy for merchants, mechanics, and all classes of people who possessed any kind of personal or movable property to obtain loans and advances thereon, in sums ranging from 12½ cents to \$4,000 (the extreme limits admitted by the rules of the *Monte de Piedad*), upon terms and conditions regulated by custom and recognized by law, the owners of real estate found no such facilities, but in any financial emergency were obliged to resort to private money-lenders to raise the required sums, upon such terms as might be arranged between their own necessities and usury unrestrained by law.

Within the last three or four years, however, the conditions and prospects of real estate, both urban and rural, have materially changed and improved. In view of the flattering promises of permanent peace, the large investment of foreign capital in the country, the rapid progress of material improvements, and increased commercial activity, the demand for real property and the values have notably advanced. In consequence, the old laws affecting this kind of property have been advantageously modified, and are in process of still further modification. There is a greater readiness to invest in this class of securities. The national *Monte de Piedad* has reformed its rules so as to admit dealings in real estate, and the *Banco Hipotecario* has been recently established, with a capital of five millions, for the express purpose of facilitating loans on urban and landed property. As the country progresses it cannot be doubted that this class of credits will increase in frequency and grow in favor.

RESUMPTION AFTER FAILURE.

12. When a person in business has once failed or has been discredited can he resume, and what are the obstacles to such resumption?

There are no legal obstacles to such resumption, and if it is apparent that one has failed through unavoidable misfortunes or unlucky complications, and has in the emergency acted honorably with his creditors, he finds no difficulty in resuming business, and may enjoy unimpaired credit. But if bad faith is manifest or suspected he will find it very difficult, if not impossible, to recover his position.

BANKRUPTCY.

13. Is bankruptcy frequent?

It is not; business men generally being very prudent and circumspect in their transactions, avoiding uncertain speculations and wild risks.

14. To what extent do relief acts in bankruptcy prevail?

There are no such laws in existence. When any one fails in business the law requires that all his property, present and future, shall be placed at the disposition of his creditors, to be administered and distributed according to the provisions of the code of 1880.

MAKING AND LOSING FORTUNES.

15. Are fortunes readily made and lost?

In any safe and legitimate business the process of making fortunes is by gradual and laborious accumulation, aided by economy and self-denial. In the earlier and revolutionary periods of Mexican history, say between 1820 and 1845, large fortunes were occasionally improvised by the contraband trade, by getting possession of some of the monopolies which then existed as relics of the Spanish régime, as those of tobacco, the mints, of playing-cards, &c.; but these opportunities incident to the misfortunes of society now no longer are offered, and, excepting the rare possibilities of striking a "bonanza" in a silver mine or drawing the capital prize in the Havana lottery, the acquisition of wealth in Mexico is as uncertain and laborious as in most other countries. On the other hand, notwithstanding the unwise and vexatious revenue laws that embarrass commerce and cripple industry, and the cumbersome forms that render all legal business insufferably slow and intolerably expensive, fortunes here, with prudent management, are about as safe and as easily retained unimpaired as in most other civilized countries. As before stated, commercial failures are rare, and financial ruin is generally attributable to the causes that are well known and sufficiently prevalent in all civilized society—pretentious living, reckless gambling, and gross mismanagement.

GENERAL EFFECTS OF TRADE.

16. What are the general effects of credit?

Here, as elsewhere, credit facilitates the ruin of the idle, reckless, and vicious classes, while it assists and stimulates the industrious, thrifty, and enterprising. Taking a broader and more comprehensive view of the question, it would seem sufficiently evident that to a country like Mexico, long plundered by foreign oppression and still further impoverished by domestic misgovernment, yet teeming with abundant and varied natural wealth, undeveloped for lack of capital, credit, both individual and national, will be found essential to the fulfillment of the present promises and aspirations of the Republic.

DAVID H. STROTHER,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Mexico, June 26, 1883.

MATAMOROS.

REPORT BY CONSUL-GENERAL SUTTON.

1. Does credit stimulate trade?

Yes.

2. Are people averse to contracting debts?

Not at all; quite the reverse.

3. Are there any sumptuary laws or regulations concerning credits?

No; not to my knowledge.

4. To what extent does credit prevail in proportion to the volume of business?

As a rough and approximate estimate: Foreign purchases are cash, one part; on time (generally secured by credit with some firm in same or neighboring State or country, and to which a credit guarantee is paid), nine parts. Home purchases by retail dealers, one part cash to nine parts credit; the credit may be given by seller direct, or he may require some other person to agree to respond on failure of purchaser. Purchases by consumers from retail dealers, one part cash to three parts on time. Market purchases, which is an important item with families in this country, nearly all cash.

5. To what extent do losses incidental to business prevail?

This is a very difficult question to answer. I should presume from all I have observed that they are not much, if any, greater in the various branches of trade than in similar branches in the northern portion of the United States.

6. Do tradesmen extend credit to mechanics and laborers readily?

Mechanics are a small class in this part of Mexico; but to them and to laborers credits to a limited amount, corresponding in some degree to their wages, are freely and almost universally given.

7. What advantages have cash buyers?

Generally, and except on large purchases, none. Of late years a change is noted, and cash buyers get more consideration. This, however, is almost universally confined to wholesale transactions. Formerly the wholesale dealer in the interior reasoned after this sort: There are the goods; they are salable to good customers at the asking price. If sold to cash buyers to-day at less than asking price, what will be gained? Simply the money down instead of on six or twelve months' time. But he can get all the money he needs in Europe for 6 per cent. To be sure, a bird in hand is said to be more valuable than two in the bush. Here, however, it has at times been safer to have the money owing to than held by the merchant. It may be weeks before he can send it off, and there are risks in keeping as well as in collecting money. Again, the merchant reasoned, if these goods be sold to the cash buyer for 10 or 15 per cent., or more, off, they cannot be replaced within six months—four at the least—and when the regular customers come they will buy, and on time, of his business rival, who will get full prices. His rival has only to use his credit at 6 per cent. per annum, and he can replace his stock as soon as the seller for cash. The idea of all or a large portion of his regular customers tendering cash was rarely considered. Where railways and regular steamships have made connections with the United States this course of reasoning has somewhat changed. Yet, as it takes two to four months to send for and receive goods, even from New York, and as railways and steamboat lines only touch a few of the centers of trade, there is still much reason in this argument.

From the customs of the country it is impossible for the wholesale dealer to sell many goods for cash. His regular customer, whether he live in the same city or at a distance, is already more or less his debtor. When he comes to purchase he may bring money, but it is only to pay up in full or in part the old account. What he buys is on time. If in the city, he begins to pay in fifteen days, and pays according to sales. If the retail dealer lives at a distance, he is governed by his cash receipts and by the opportunities of remitting. Where *conductas* run regularly, or on railway lines, he can remit with regularity if he can get it to remit. Without the *conductas* or the railways he may wait for months before he can send or place the money. As stated under question 4, he sells almost entirely on credit. He might often make a discount to his cash customers, but I have never been able to obtain one, or to hear of such being given.

It is a custom with some wholesale dealers on the frontier to discount any bill 0.5 per cent. If they have sold him beyond his "line of credit," or if they are a little afraid of him, they will discount him 1 per cent.

8. Is interest demanded on time accounts?

No, not until same are due; after due, 1 per cent. per month.

9. With what class are the evils of credit most conspicuous?

The evils of credit are most conspicuous with the salaried, *i. e.*, the civil and military employes, and the laboring class. The latter pass a large portion of their lives either in getting into or trying to get out of the pawnbroker's.

10. What kind of produce or manufactured articles command cash returns?

The products of the country generally (there are very few home-manufactured articles) almost always command cash returns. This is particularly true as regards common usable articles. Among these I name corn, beans, crude sugar, chick peas, peppers, mescal, aguardiente, pulque, agua miel, clarified sugar, molasses, wheat, fruits, vegetables, dulces, fresh meats, fowls, eggs, water, crude native clothing, pottery, furniture, &c.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

No. It is very expensive to make such records; a heavy tax is levied on such documents, non-payment of which affects their legality, and there is, to a large degree, a lack of confidence in the legality or ultimate value of such documents. They are given to a limited degree, but almost entirely by the well-to-do or wealthy classes.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

When a person fails, he must appear in court and manifest in good faith all his assets and liabilities. The creditors are summoned and the case stated to them. If no fraud is found, the business is put into the hands of an assignee, and, the debtor being finally released, is free to again engage in business. Should fraud be alleged, he must legally stand his trial, and if the charges are declared proven, he cannot again engage in business under his own name until the matter has been arranged. The above is from the commercial code of the Federal district, which has been adopted with slight modifications by the State of Tamaulipas and many other States of the Republic.

13. Is bankruptcy frequent?

No; quite rare. Small dealers are occasionally embarrassed or fail, and either compromise, go out of the trade, or trade under some other name.

14. To what extent do relief acts in bankruptcy prevail?

As stated above, the relief in failure in good faith—"de buena fé"—and where fraud is not alleged, is absolute and effective from the date on which decision is given.

15. Are fortunes readily made and lost?

No. To this answer mining is occasionally an exception.

16. What are the general effects of credit?

Good, except when, as in this country, it is greatly overdone. A proper credit system would benefit any country, but here its good qualities are hidden under the many evils it causes and the exorbitant prices caused thereby.

WARNER P. SUTTON,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Matamoros, June 25, 1883.

ACAPULCO.

REPORT BY CONSUL SUTTON.

1. Does credit stimulate trade?

Yes; it facilitates the same.

2. Are people averse to contracting debts?

In general, no; especially merchants and country traders, possessing little capital, are anxious to avail themselves of an offered credit.

3. Are there any sumptuary laws or regulations concerning credits?

No.

4. To what extent does credit prevail in proportion to the volume of business?

Eighty per cent. of trade in all imported foreign merchandise (the average sales thereof amount yearly, in round numbers, to \$500,000), while all produce and articles of Mexican manufacture are sold exclusively for cash, amounting to about \$600,000 per annum. An exception to the second part of this answer occurs in raw cotton when the yield has been unusually large and the prevailing demand small; in such cases the dealer, although he has paid cash down to the farmer, grants a credit of three to six months to the manufacturer.

5. To what extent do losses incidental to business prevail?

At most, 10 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

No; mechanics such as this district produces socially and financially occupy a lower station than in the United States, and, with rare exceptions, are not considered to stand above common laborers, who, as experience has taught with justice, do not enjoy any credit at all and live from hand to mouth.

7. What advantage have cash buyers?

As the importers sell their goods on a credit of six or eight months, cash buyers enjoy the advantage of a discount of 1 per cent. per month.

8. Is interest demanded on time accounts?

One per cent. per month interest is charged to debtors after maturity of an account. Recourse to judicial proceedings is hardly ever necessary.

9. With what classes are the evils of credit most conspicuous?

With none.

10. What kind of produce or manufactured articles command cash returns?

Market produce and articles of Mexican manufacture are as a rule sold for cash only. Accounts in retail stores, according to established custom, are settled on the last day of every month.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

No merchant likes to take mortgages on real estate, which as yet has but a nominal value in this consular district, and up to the present time possesses no wagon or rail roads.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

Such a person loses all credit, and can only buy for cash. No legal obstacles are placed in his way.

13. Is bankruptcy frequent?

Bankruptcy is very rare. It is policy of the merchants to give to a debtor an extension of time, when asked for and the request be justified, and not to push him to bankruptcy, as in the latter case, the tribunals intervening and causing heavy expenses, utter ruin and loss are sure.

14. To what extent do relief acts in bankruptcy prevail?

After a person has passed through bankruptcy he is legally relieved of all former liabilities.

15. Are fortunes readily made and lost?

No; although the country progresses, business is slow and small.

16. What are the general effects of credit?

Good; the system as explained above seems to work well and no doubt will continue to do so until railroads will inaugurate a new era and change the present stationary state of affairs.

JOHN A. SUTTER, JR.,
Consul.

UNITED STATES CONSULATE,
Acapulco, June 26, 1883.

TEHUANTEPEC.

REPORT BY CONSULAR AGENT LANGNER.

In reply to the circular of May 15, 1883, I beg to report the following:

1. Credit would indubitably stimulate trade if granted with caution and only to first-class, well-known houses.

2. People in general in this district are by no means averse to contracting debts. However, it is not advisable to go on with them, as they often do not fulfill the engagements taken upon them.

3. No sumptuary laws exist in the State of Oaxaca, nor other special regulations protecting trade and credit.

4. The credit prevailing in proportion to business done here is only for buying merchandise—blank credits have not yet been opened—and must be divided into two classes: First, that given by European and American houses to Tehuantepec importers; second, that allowed by these to retail dealers in this district. The credit opened by European houses does not exceed \$80,000, on terms from six to nine months. The American credit, amounting to about \$40,000, is on very short terms, and extended by New York and San Francisco commission merchants, who purchase the goods partly with cash. This system offers the advantage

of ready-money purchases over that of time transactions, it being a fact that American business men did not suffer the half of the losses experienced by European establishments. Credit opened by Tehuantepec importers to shopkeepers is always exposed, as the majority of these do not possess their own capital, or but very little.

5. Losses on foreign credits did not occur these last five years; nevertheless European houses lost in Tehuantepec considerable amounts about fifteen years ago. The yearly losses on credits given to shopkeepers may be calculated between 6 and 10 per cent. on sales made, in spite of all precaution taken when selling.

6. About credit extended to laborers and mechanics very little can be reported, as mechanics do not exist here, except railroad men, and laborers occupy so low a grade of culture that they would not even be able to work with modern tools which may be a little complicated.

7. The advantage of cash buyers is here, as well as in other parts of Mexico, very considerable, money being short, and when on hand both import and export articles can be purchased at lower rates than usually done.

8. It is the custom to charge interest on time accounts, beginning to run the day of maturity.

9. The general evils of credit are that men of no capital start shops or similar enterprises, buying goods on six or eight months' time, and often cannot pay when due.

10. Almost all export articles command cash returns; some, as Brazil wood, require even cash advances.

11. Credits of record (mortgages) are proportionally rare among farmers and house owners, representing, both land and houses, but little value.

12. A person who has once failed can resume, though with difficulty, if he succeeds in making an arrangement, proving true his honesty, and that only misfortune compelled him to bankruptcy. A miscredited man trying his resumption will find obstacles spread all over his way; not, perhaps, that people here might feel more virtuous than in other parts, but the fact that judicial proceedings of these courts of law are so circumstantial and long-winded renders it very advisable and desirable for every one to avoid to get into questions, of whatever kind they may be.

13. Bankruptcy is not very frequent. Notwithstanding, there have been enough cases in proportion to the small business of this place, and nearly all of them bear a fraudulent character.

14. Relief acts in bankruptcy are the same as in other parts of the Republic, and especially here the bad management of the laws renders them quite illusory.

15. The fortunes made in this district never amounted to large sums (the largest fortune was \$250,000), and all have been lost again. The new fortunes existing now are of a moderate character, not exceeding \$80,000, but have a prospect of improvement if no political disturbances may arise.

16. The general effects of credit, if this is extended in right proportion to the working capital, will prove beneficial; surpassing this line the bad consequences will appear too soon, the goods bought on credit remaining yet on hand when remittances are to be made. These require cash, which can only be obtained by sales at extremely low prices; and as almost all customers buy upon trust, the few who have cash on hand avail themselves freely of such an opportunity.

In the preceding report I made a brief statement of the opinions of the leading business men of this place, describing things just as they run.

ALBERT LANGNER,
Consular Agent.

UNITED STATES CONSULAR AGENCY,
Tehuantepec, August 12, 1883.

CHIHUAHUA.

REPORT BY CONSUL SCOTT.

I have your circular-letter of May 15, and for the information of the Board of Trade of Scranton, and the financial public generally, I answer the interrogatories as follows:

1. It does.
2. They are decidedly in favor of it.
3. There is no limit to credits.
4. In wholesale business probably 50 per cent. is credit.
5. Difficult to answer satisfactorily. No data.
6. Not as a general rule, unless under their employ.
7. From 12 to 20 per cent.
8. Yes; 12 per cent. per annum in most cases.
9. With laborers on farms and cattle ranches.

They sometimes obtain two years of wages in advance, and are virtually bound down to the employer making the advance. The debt can be canceled at any time by payment of the money, and their freedom obtained. No ranchman will employ a laborer who owes a neighbor; he must first pay off his debt. Farm hands will probably average four to six months' payment used up, and their labor discounted for this period. They will labor as well under a debt as when working for ready money; it seems all the same to these "happy-go-lucky" people.

The system of credits established in Mexico can possibly be traced to the fact that the merchants who formerly purchased their goods in Europe on a year's time without interest and the privilege of another year at 7 per cent. would buy large stocks, and to induce purchasers to buy freely would give a credit of a year's time, but always added a very liberal advance on the price for the time given. This system of long credits was, however, found to have many defects, and at last ended in disaster to the merchants, many of whom failed, from the fact that they could not collect the debts due them. The business of the country is fast approaching a cash basis.

10. Cotton, corn, wheat, and stock, together with manufactured cottons, command cash prices.

11. There is here a system of loans on mortgage much the same as in the United States. This system is used mostly by the middle class of people. We have also a conditional purchase. The property is transferred absolutely, the purchaser giving an agreement, which is one of the conditions of the deed, to retransfer the property at a certain date, provided the terms of the contract are complied with.

12. When a person fails he presents himself before the court with his property, and turns it over to the court for the benefit of his creditors. If the evidence shows that his failure was from a sufficient

cause, and that he has made a fair surrender of his effects, he is given his discharge, and can again enter upon a fresh venture. It is evident that he must start with nothing, or that he has concealed from the ruined estate a part of which should have been turned over. Compromises at so much per cent. on the dollar are not yet in vogue, but no doubt will soon be a part of the new civilization that is forcing itself so rapidly upon us.

13. Bankruptcy is not frequent and merchants generally maintain their credit.

14. Is answered above in 12.

15. It takes about the same degree of perseverance to acquire a fortune in Mexico as anywhere else, but once acquired they are seldom lost by those who acquire them, but they are frequently squandered by the immediate successors of those whose labor gave the inheritance.

16. The general effects of credit are bad, and the sooner the people of Mexico learn to do business on a cash basis the better they will be off. Now a credit system simply means a peonage on the farms and ranches. In mines we pay once a week and issue tickets to the families of the miners for their daily wants, or pay in cash Saturday night. The former system properly administered is by far the better one for the families of the operatives, as some of them are quite inclined to gamble away their entire week's earnings before Monday morning.

LOUIS H. SCOTT,
Consul.

UNITED STATES CONSULATE,
Chihuahua, June 15, 1883.

GUERRERO.

REPORT BY VICE-CONSUL WINSLOW.

1. Does credit stimulate trade ?

There is no doubt, it seems to me, that credit does stimulate the general volume of trade. Whether it is beneficial or not in the long run is quite another question. Many persons will buy goods and pay a higher price for them when they have two or three months to pay for them, until they make their crops or can sell their horses, cattle, sheep, wool, or hides, who would not buy if they had to pay for them in cash, as they might not have the ready money. Thus the tradesmen who give the most credit sell the greatest amount of goods.

CONTRACTING DEBTS.

2. Are people averse to contracting debts ?

As a general rule they are not. The better and wealthier class, and even the middle class found amongst the farmers and stock-raisers, never contract a debt unless they have the wherewithal to pay; but the artisans and the laboring classes generally are as ready to contract a debt as to refuse paying it when contracted. In every man's nature there is a weak spot which makes him feel as though he was receiving goods gratuitously when he takes them out on credit, not remembering that Mexican proverb which says, "There is no pay day which will not arrive, nor debt which will not have to be paid."

SUMPTUARY LAWS.

3. Are there any sumptuary laws or regulations concerning credits?

If we define "sumptuary" as a law regulating the cost of life, by which the creditors are obliged to allow their debtor a certain amount for his actual expenses after having seized on his property, there is no such law. The creditors are not obliged to allow the debtor anything for his expenses. After the creditors have commenced proceedings against the debtor, when he has failed in business, they can allow him a certain amount monthly for his expenses, but it must be with the consent of all the creditors. There is no law which subjects the debtor who cannot pay until a certain appointed time to limit his expense of living. All that the creditors can do is to denounce him to the judge, that he is wasting his capital, and ask for proceedings against him. In general, when the debtor is proceeded against, when he delivers up his property he can keep none of it; it is all deposited in favor of his creditors.

PREVALENCE OF CREDIT.

4. To what extent does credit prevail in proportion to the volume of business?

The principal tradesmen here buy on credit from wholesale merchants in the United States, generally on three months' time. In the dry-goods retail stores about one-third of the sales are on credit, but only those who are supposed to be responsible are given credit, and who promise to pay when they sell their wool or cattle, and these, especially wool, are given as security for the debts. The owners of sheep often borrow money beforehand on the clip of wool that they expect to make. In grocery stores a cash business is done entirely.

BUSINESS LOSSES.

5. To what extent do losses incidental to business prevail?

There are very few amongst the dry-goods merchants, who buy on time in the United States. Guerrero being situated in the Zona Libre, goods pay little or no duties, and are sold at a profit. Some failures occur occasionally amongst the petty traders, who buy from stores in Guerrero, and especially amongst those who deal in groceries and credit out numerous small accounts. The Mexicans are very methodical in their business affairs. They rarely speculate, and are content with small gains; hence, although they do not get rich rapidly, their losses are small. It is strange that amongst a people so addicted to gambling there is so little speculation. They are frugal in their habits of living, dress simply, and their food is of the coarsest and simplest kind. A little meat, rice, beans, sweet bread, coffee, and corn ground up into tortillas form the food of even the wealthier class. What we consider the luxuries of life they do not indulge in. Their houses contain little or no furniture; a few chairs, a pine table, and one or two bedsteads is about all. There are no expensive carpets or curtains. The middle and poorer classes live even more simply, and generally sleep on the floor, on sheepskins. It may be taken as an axiom that where there is the most extravagance and luxury, there will be the most losses. One class of people spend whatever they can get hold of, and as fast as they can get it, whilst others save means that come to their hands, judiciously invest the same, and become rich. Besides the reasons that goods are bought cheap and sold at a profit, and the economy in their mode of

living, there is another and more powerful reason why the losses incidental to business are small, and that is that the merchants are very careful to whom they give credit. In case they doubt a person's ability to pay, they make some reliable person respond for him.

CREDIT TO TRADESMEN.

6. Do tradesmen extend credit to mechanics and laborers readily?

Here in Guerrero they do not, as all classes of mechanics, artisans, and laborers are bad pay. In the first place they are naturally lazy. They are wanting in that activity and energy which is characteristic of the Anglo-Saxon race; they are slow and indifferent; they have no disposition to save; they live from hand to mouth, so to speak. Having enough for to-day they let to-morrow look out for itself; they would rather live and dress meanly than work. In the second place, mechanics and laborers barely earn sufficient to keep soul and body together, and hence, although they wish to, have no money to pay their debts. A journeyman mechanic earns but 50 to 75 cents a day, Sundays and feast days excepted; common farm hands from 20 to 50 cents. The peons, who owe money and bind themselves to work it out, get \$5 to \$6 a month and their board. If a man buys goods at your store, and runs into debt, you cannot compel him to pay if he proves he has nothing to pay with. There is no law which permits imprisonment for debt, and so great is the trouble and mortification attending the recovery of debts in Mexico that tradesmen will seldom give credit to mechanics or laborers.

CASH ADVANTAGES.

7. What advantage have cash buyers?

The merchants who buy from wholesale dealers in the United States generally get a discount of 4 to 8 per cent. when they pay in cash. The retail dealer when he sells goods on credit charges more for them than when he sells them for cash, and hence the buyer for cash gets them cheaper, and I am inclined to believe that he not only gets them cheaper, but of a better quality. The cash buyer has the advantage that he is out of debt. He has a tranquil conscience. When he lies down at night he has no nightmare of a debt preying upon his mind to disturb his sleep. No matter how much a man is worth, his life is troubled if he is heavily in debt.

8. Is interest demanded on time accounts?

There is no interest demanded on such accounts. It is, however, the custom for tradesmen to charge a little higher for goods sold on credit or time than when they are sold for cash.

EVILS OF CREDIT.

9. With what classes are the evils of credit most conspicuous?

With the laboring class—journeymen mechanics, artisans, day laborers, such as shoemakers, carpenters, blacksmiths, farm hands, &c. These barely make enough each day to buy food to eat and clothes to dress themselves and their families economically, but with the confidence that they can take out of the store on credit what they want, they will spend more than they earn, run into debt, and become idle and shiftless, and from idleness comes poverty. Instead of being content to live on what they earn from day to day, they acquire extravagant habits. The different classes may be arranged as follows, according to their ability to pay and promptitude in paying:

1st. *Rancheros* (owners of ranches) who have flocks of sheep and herds of horses and cattle.

2d. *First-class merchants*. These are pretty good pay, but sometimes want to pay with goods out of their stores.

3d. *Professional men*, retail dealers who deal in groceries and miscellaneous articles.

4th. *Boss artisans*, officers in the army, custom-house guards, owners of billiard saloons and bar rooms, and those who have a settled salary, clerks, &c., not including minors or women.

5th. This includes day laborers, who get so much each day for their work, journeymen shoemakers, carpenters, masons, blacksmiths, barbers, &c.

6th. Last of all, loafers, beggars, common gamblers, "dead beats." Of these last there are different grades, the genteel, the shabby genteel, and the shabby. Of all beats the genteel loafer is the worst. They generally go about well dressed, and put on airs; "they toil not, neither do they spin, yet Solomon in all his glory was not arrayed like one of these." For this class of customers the tradesmen keep a sharp lookout, though they sometimes succeed in deceiving, as they are very sharp.

CASH PRODUCTS.

10. What kind of produce or manufactured article commands cash returns?

All sorts of groceries, farm and kitchen utensils, mechanics' and artisans' tools, hides, leather, wool, sheep, horses, cattle, vegetables, corn, flour, boots, hats, shoes, saddlery, liquors, medicines, and all articles that may be considered of necessity and not of luxury.

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CREDITS OF RECORD.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

They are not prevalent in Guerrero, and when they do occur it is generally amongst the better class.

RESUMPTION AFTER FAILURE.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the difficulties to such resumption?

He cannot resume until he has paid up all he owes. He is not allowed to arrange with his creditors by paying so much on the dollar. They have a right to seize all he has, even houses, lands, and personal property, and as soon as he makes anything they can seize it; so that he has no chance to begin business anew.

BANKRUPTCY.

13. Is bankruptcy frequent?

It is not. This is probably owing to the fact that there are very few wholesale houses; that tradesmen buy only small quantities of goods at a time; that they give little or no credit; that they speculate very little, and hence their risks are small.

14. To what extent do relief acts in bankruptcy prevail?

There are no such acts. The creditor can seize on the goods of the debtor.

15. Are fortunes readily made and lost ?

They are not readily made. As the amount of business is not sufficient to warrant them to buy large quantities of goods at any one time they cannot make large sales, there being no large wholesale houses here. They are not readily lost, as there is but little speculation and but little credit given. The small houses, which commence on borrowed capital, and who buy from other houses here, are very apt to break, especially if they credit indiscriminately.

GENERAL EFFECTS OF CREDIT.

16. What are the general effects of credit ?

They are injurious, both to the buyer and seller. As regards the buyer it encourages extravagance. The mechanic, artisan, farmer, or day laborer who can get goods out of a store on credit will buy what he does not need, and which he would not buy if he had to pay for them in cash. The clothes that he and his family have been accustomed to wear no longer please them, and they must have the very best. Jeans and homespun must give way to cassimeres and broadcloths ; calicos and ginghams to silks and satins. His table, in place of plain and wholesome food, must be loaded with the delicacies and dainties of the season. His tastes become fastidious in every respect. He must have the very best furniture, groceries, and agricultural implements, and all this because his credit is good, and he can get goods with the promise of paying for them at some future time.

The credit system depends on uncertainties. The farmer in order to pay his debts must depend on his crops ; but many things may occur to blight his hopes—the frost may destroy his corn, the worms may eat up his cotton or the rust his wheat ; his horses, cattle, or sheep may perish from the drought, or disease, or the failure of his own or his family's health may prevent them from working. What is true of the farmer is true also of the mechanic, artisan, or laborer—through the loss of health or of work they may be prevented from paying what they owe. The retail dealer suffers because they cannot pay their debts, and the wholesale dealer because the retail dealer has to ask for an extension because he cannot meet his accounts when they fall due. The fact of a single person failing to pay his bill, when it falls due, may affect a whole community and cause embarrassment and disastrous consequences in commercial circles.

Credit tends to impair confidence. When a man desires credit he talks about his own integrity and paints his prospects in the fairest light, but when the time comes to pay he is often found wanting, or comes forward with some excuse, and thus the calculations of the tradesman are all set awry, and he fails to meet his account with the wholesale merchant, his credit is damaged, his business capacity is doubted, and he now realizes that proverb which says, "Confidence in an unfaithful man in the time of trouble is like a broken tooth or a foot out of joint."

Credit impairs integrity of character and lowers a man in his own self-esteem. He who owes cannot look his creditor, with confidence, in the face. "The borrower is servant to the lender."

The credit system anticipates too much. He who calculates upon something which may possibly turn up stands on shaky ground. He who trusts in such a man will surely be deceived.

The credit system gives a chance for and encourages fraud and deception. Many persons to obtain credit will tell the most bare-faced

lies about their prospects of future crops, of the money they are making, and many a merchant has been ruined by lending a too credulous ear to their representations. It would be better if there was no such thing as credit, and then the buyer would have no motive for deceiving and the seller could not lose. There would be less deception and more honesty.

Credit encourages idleness and dishonesty. Work of itself is distasteful to most persons. Want and hunger, a desire to dress well and take a respectable standing in society, are the great incentives to work; but if a man can get food to eat and clothing for himself and family on credit, the chief incentives to work are gone, as soon as his appetite is satisfied and his limbs are warmed. Every man, if he so desires, can obtain work enough to support himself and family. No one need starve, but here in Mexico, where living is cheap, many amongst the laboring classes are too lazy to work, except they are driven to do so through actual necessity. They barely make enough each day to supply their wants for that day, and will not work as long as they have any money, or can get anybody to trust them. In this they are countenanced by the numerous religious feast days, on which it is considered a sin to work, and which they spend in idleness and dissipation. This class of people have no word of honor, and never dream of paying what they owe.

Credit produces lawsuits, enmities, estrangements, differences between friends, and from these result a loss of custom.

CHARLES WINSLOW,
United States Vice-Consul.

UNITED STATES CONSULATE,
Guerrero, November 10, 1883.

LA PAZ.

REPORT BY CONSUL WINSLOW.

Does credit stimulate trade?

The people of this country are as yet entirely primitive from their origin. Credit system has been introduced by foreigners since a few years ago, the tendency of which has constantly led to the direction of involving the natives with necessities consequent to the requirements of foreign domestic civilization, which they previously ignored, and of arousing their ambition to a new organization of business. Credit since then has been admitted in place of cash purchases, or of products, being readily exchanged for imported commodities. The benefits of bankruptcy subsequently germinated among farmers and traders, as a matter of ultimate result from extravagance and lack of knowledge of a strange business pursuit. However, of late, business under the credit system has been better understood, and the eight and twelve months' time granted to customers by the European manufacturers seems to have tended towards increasing trade under more favorable auspices.

Are people averse to contracting debts?

They are naturally so, but in our days, and in order to consistently follow the general rule of business, credit has been adopted to a great extent.

Are there any sumptuary laws or regulations concerning credits?

The said laws exist in a measure. When the assets of the insolvent are in correspondence with the liabilities, or of greater amount, then, and in that case only, the sumptuary laws can be made use of.

To what extent does credit prevail in proportion to the volume of business?

Credit has been made use of of late equal to almost the amount of foreign consumption and in proportion to the required importation; home products and domestic manufactures, not included, being generally bought on cash terms.

To what extent do losses incidental to business prevail?

Losses in the mercantile community of this country, since business is followed on a more solid principle, are not of very frequent occurrence. The solidity of the limited enterprises founded upon natural resources is of a condition not permitting the venture of speculation leading towards endangering capital.

Do tradesmen extend credit to mechanics and laborers readily?

Credit to laborers and mechanics is not only extended to them here on account of the yet existing good faith among the said class, but also for its being one of the principal sources of remuneration to traders and enterprising parties.

What advantage have cash buyers?

First, in making purchases under 10 per cent. discount from the legitimate market prices for goods offered on time; and, second, because it is always understood that foreign purchases cannot be made on credit, lest interest be added from the very day of purchase.

Is interest demanded on time accounts?

As a general rule, interest is charged from the very day of extending the invoices. The principal importations of dry goods and other articles to this country are mostly made through German commission merchants in Europe or Mazatlan, who, not content in charging the rate of 1 per cent. interest, compute the said interest every six months, and then add interest upon interest, under the phase of reciprocal interest account.

With what classes are the evils of credit most conspicuous?

To the second-rate merchants, who furnish themselves from the importers, and mostly to the mechanics and laborers.

What kind of produce or manufactured articles command cash returns?

Provisions, hardware, dry goods, or manufactured cottons from the United States.

Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Such credits are very common here among the class of laborers, farmers, and cattle-raisers.

When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

An insolvent, who in *bona fides* (good faith) makes use of the benefit of the bankrupt law, has the right by law and public opinion to resume, but he is still indefinitely responsible to the creditors, and to the extent of the remnant of his unsettled debts; but a person fully discredited cannot resume by law or public opinion.

Is bankruptcy frequent?

Very few failures take place, which, in comparison to the volume of business, are of no consequence.

To what extent do relief acts in bankruptcy prevail?

No special laws are as yet enacted in Mexico providing for relief in cases of bankruptcy; commerce and public feeling are generally averse to it.

Are fortunes readily made and lost?

The present system of commerce and speculation in this country is not yet of such inciting conditions; it is of slow nature and safe.

What are the general effects of credit?

The effects of credit are comparatively good, if it is taken into consideration that the revenue records of the year 1852 to 1856 show that business in those days was performed here on a simple rude cash basis. Lower California was then forced to consume the second or third hand merchandise from the Mazatlan and Guaymas importers, paying enormous rates and running the risks of navigation. Since 1856, when the port of La Paz was opened to commerce for foreign entry, the new era commenced, and the credit system was established as above related. The country beyond doubt has from that time prospered considerably and the lower classes have been able to clothe themselves; if prosperity has not been comparatively in equality with the progress of present civilization, at least their happiness in life has had a great change.

LAS. VIOSCA,

Consul.

LA PAZ, MEXICO, July 10, 1883.

YUCATAN.

REPORT BY CONSUL AYMÉ, OF MERIDA.

In compliance with your circular-letter dated May 15, 1883, in which you request a report on the systems of credit which prevail here, and in which you inclose certain interrogatories prepared by the Board of Trade of Scranton, Pa., I have the honor to inclose the desired report.

The questions asked are very general; the answers partake of the same character.

There is in Merida no board of trade nor anything like one; each man is a law unto himself in such matters, and it would take months of earnest, special study to fully lay before you the extraordinary condition of business here; and such a report would be the mere recital of facts, and of causes and effects. I have endeavored to answer as briefly as possible, and would respectfully suggest either that this report be submitted to the said board that they may ask more explicit questions, or, that if it be published, some portion of this dispatch be printed therewith. Such a report is necessarily imperfect.

Yucatan is pre-eminently a "credit" country, cash transactions being extremely rare. This statement applies to all business, great or small, done here, almost without exception. Every laborer is in debt to his employer, and practically every employer in debt to his servants. The servant or laborer applies to the employer in the first place for money, which is at once given him; he then works at a certain rate or salary, a percentage of which is deducted toward reducing the original advance. But soon a fresh amount is asked for, and granted, or else the laborer would seek another employer who would assume the original debt and make the desired advances. Thus the laborer is always in debt, and the employer is liable at any moment to be called on to make forced loans.

In all and every condition of life, in all and every business, the credit system is rampant; it has always been so, it seems as though it always would be so. As there is practically no cash business done it is hard to make comparisons and draw conclusions as to the results on the pros-

perity of the country. I shall, therefore, in this report confine myself to answering the various interrogatories submitted so far as in my power, simply premising that in the absence of any statistics of any kind I can only give as authority for the correctness of these answers my own limited observations and the opinions of the few foreign business men who have studied the subject and whom I have spoken with thereon.

Without further remark, then, I proceed to the questions:

1. Does credit stimulate trade?

Yes. In all growing countries credit is essentially necessary. It frequently happens that capital does not lie in the hands of those who could best use it, and without credit the growth of trade would be dwarfed or perhaps stopped. Certain American houses have endeavored to introduce the cash system, and unavailingly. English and German houses on the other hand give long credits, and trade with both these countries is very rapidly increasing, and this great increase is due certainly not to the superiority of the goods sold, but solely to the long credit granted. A patent proof of this is to be found in the wholesale counterfeiting of American brands and trade-marks by English and German houses. Were American houses to give the same credits they would do all of the business. Stop credit and Yucatan would be utterly and completely ruined.

2. Are people averse to contracting debts?

Unfortunately, no. There are, however, two kinds of debts to be considered: 1st, those contracted in the country; and 2d, those contracted abroad. It is to the first class I more particularly refer in my general answer. Debts of the second class there is good reason for, in the great difference in the rates of interest here and abroad. For example: A, here in Merida, buys \$1,000 worth of goods in New York or in London on six months' credit; he will have to pay not more than 6 per cent. per annum interest—that is, for six months, say \$30. But interest in Merida is not less than 10 per cent. per annum, and, at this moment, nearly 18 per cent. Let us take the lower rate. Interest on \$1,000 for six months at 10 per cent. is \$50. Here is a clear gain of \$20 to A by contracting a debt, and this gain may very probably in this transaction reach more nearly double this amount.

3. Are there any sumptuary laws or regulations regarding credits?

The governing code in all business transactions is really the ancient Spanish *Codigo de Billas*. The civil code (*Codigo Civil*) touches on some points, but the whole subject is extremely obscure.

Provision was made in the constitution for the formation of a special code, but nothing has been done so far. Only the very best Mexican lawyers could answer this question, and even they, for reasons stated further on, not very certainly.

4. To what extent does credit prevail in proportion to the volume of business?

Practically 100 per cent. The reply to query No. 10 is probably the only seeming exception. There are absolutely no statistics to refer to, but seemingly all business is done on credit.

5. To what extent do losses incidental to business prevail?

A credit system always induces speculation, and in the export trade of Yucatan there is very much speculation and losses are very frequent. A credit system also induces rash competition and trusting in improper parties; in the wholesale trade, therefore, from these causes mainly losses prevail to a large extent. In the retail trade losses are not so great or frequent perhaps.

6. Do tradesmen extend credit to mechanics and laborers readily?

Yes; and generally lose thereby.

7. What advantage have cash buyers?

Except in the small retail trade cash buyers are unknown. Cash buyers would have little or no advantage, but would most likely be losers. For if A buys \$100 worth of goods and pays cash therefor, and B buys the same amount and pays only at the end of six months, B evidently makes the interest for this time, an important item for B, for he can loan this \$100 for six months at from 1 per cent. to 2 per cent. per month. See, also, answer to next question.

8. Is interest demanded on time accounts?

As a rule, no. The usual plan is this: Goods are sold for a certain price, which may, at option, be paid "cash down," or in a few monthly installments, or at the expiration of a short, fixed period, without interest. The number of monthly installments and the duration of the last-mentioned period naturally vary with the amount of goods sold and the amount of confidence the seller has in the purchaser. I know of one case in which goods were offered at \$450 cash or \$470 in monthly installments of \$20 each, it taking nearly two years therefore to cover the amount. Should monthly payment not be promptly made, interest is then usually charged at a rate stipulated in the document drawn up at time of sale. I would here call attention to a curious business custom. If A wishes to borrow \$1,000 from B, say for three months, B may ask, say, 2 per cent. per month; that is to say, \$60 interest. A does not, however, give his note for \$1,060; but B subtracts \$60 from the \$1,000, hands A \$940, and A makes his note for \$1,000, at three months. Naturally he is paying much more than 6 per cent. on the amount really loaned. The practice is not extraordinary, but is the usual rule.

9. With what classes are the evils of credit most conspicuous?

Very naturally with the middle classes. Officials also suffer. Credit leads immediately to extravagance, and the results are terrible among the two classes mentioned. Officials who are usually months behind-hand in receiving their salaries very easily contract debts far beyond their means to pay. This opens up too great a field, and as the answer is almost one which might be predicted with certainty, I shall leave it at this.

10. What kind of produce or manufactured articles command cash returns?

All kinds of native products, &c., change hands rarely for cash, usually cash, at fifteen days. These transactions are those which most closely approach true "cash transactions," and can scarcely be called "credits."

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Yes. Among owners of all kind of properties, small householders, farmers, hacienda-owners, &c.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

He can usually easily resume. The procedure for rehabilitation is similar to that in the United States, *i. e.*, an arrangement and agreement with the creditors and an order from the civil court. However, the administration of justice in such cases is so involved, uncertain, and tedious, the existing regulations being so uncertain and insufficient, that the usual course is to enter into arrangements with the creditors and settle the affairs, neither side caring to enter into a practically useless, and enormously expensive, protracted, and annoying litigation.

13. Is bankruptcy frequent?

No.

14. To what extent do relief acts in bankruptcy prevail?

Difficult to answer. (See replies to queries Nos. 3, 12, and 13.) In simple bankruptcy the civil court appoints a receiver, the property is valued and sold. If the amount realized is considered sufficient by a majority of the creditors, the bankrupt is discharged and may immediately enter into business again.

15. Are fortunes readily made and lost?

To the spirit of this question the answer is, No.

Fortunes have been, and are, readily made from the small risks in the main article of production, henequen fiber.

Fortunes are not readily lost, however, for wealthy people usually live far below their means. There are two classes—very wealthy people, whom the credit system cannot hurt, and the middle class, who live on credit.

16. What are the general effects of credit?

Can be gathered from answers to previous queries. Considered bad. Credit creates a dangerous class of business, which is liable at any moment, from any cause, to hopelessly collapse. Financial crises frequently threaten, and were merchants generally to be called on to settle up on a cash basis, general bankruptcy would most immediately ensue.

LOUIS H. AYME,
Consul.

UNITED STATES CONSULATE,
Merida, June 30, 1883.

CENTRAL AMERICA.

COSTA RICA.

REPORT BY CONSUL MORRELL, OF SAN JOSÉ.

1. Does credit stimulate trade?

Yes, decidedly, and if not given judiciously, too much so.

2. Are people averse to contracting debts?

On the contrary.

3. Are there any sumptuary laws or regulations concerning credits?

There are. Those relating to bankruptcy are indicated in replies to interrogatories 12 and 14. The legal rate of interest is 12 per cent. per annum, but any rate agreed upon can be sued for and recovered.

4. To what extent does credit prevail in proportion to the volume of business?

In wholesale transactions between importers and dealers, perhaps one-half. Formerly more than three-quarters, and in most cases the entire amount. Until lately importers obtained all the goods asked for in Europe on credits from six to twelve months, especially if the debtors agreed to consign coffee in payment in lieu of remitting bills; but several heavy failures of importers having occurred during the past few years, owing to excessive importations (the result of too much credit) and losses consequent upon giving credit too freely here, European credits have been greatly restricted, and some of the best London houses will now execute only the orders received through and recommended by their agents residing here. The effect has proved to be beneficial, and now the importing houses here that have survived the crisis through which this country has been passing for several years (and may

be said to be still passing) are generally sound, are much more careful in giving credits, using greater discrimination than formerly, and in many cases requiring good indorsers or other security.

5. To what extent do losses incidental to business prevail?

Formerly to about the same extent as in the United States, but now considerably less, although the number of traders is greater here in proportion to the business done.

6. Do tradesmen extend credit to mechanics and laborers freely?

Not freely, although to some extent. The latter generally obtain advances from employers, and so are enabled to buy for cash.

7. What advantages have cash buyers?

As between dealers and importers, from 5 to 10 per cent.; as between consumers and dealers, a still greater advantage, the latter being generally in want of money, and seldom refusing an offer. (These remarks apply chiefly to imported articles.)

8. Is interest demanded on time accounts?

As a rule, no. Among traders notes of hand are generally required, even for small amounts less than \$50, stipulating that if not paid at maturity, legal interest to be paid for the overtime, as well as all judicial costs in case of being sued.

9. With what classes are the evils of credit most conspicuous?

Apparently the middle classes, including salaried men. Their aspirations being generally in advance of their means, as a rule they will take all they can get on credit, including many things not actually necessary, except for the sake of keeping up appearances. But probably this country does not differ much from all others in this respect.

10. What kind of produce or manufactured articles command cash returns?

Every kind, as a rule; more than that, advances have to be made to producers and middlemen for coffee, hides, timber, rubber, bananas, &c., for export, especially the first-named article.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Yes; principally among planters; but much less now than formerly, as the unthrifty planters have mostly gone to the wall and their places filled by men of means, not only, but with that experience which begets prudence.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

Much depends upon the character of the party failing, a great deal more than upon the causes of failure. In all cases of bankruptcy, if a full surrender of assets is made and no fraud proven, creditors receive their pro rata and the failing party can resume at once, often with improved credit if considered honest and capable.

13. Is bankruptcy frequent?

Strictly speaking, no, although a number of failures have occurred during late years; but they are becoming much less frequent, owing to greater caution and discrimination in giving credit on the part of European houses, and of the importers here, results of dearly bought experience. How long the lesson will abide remains to be seen.

14. To what extent do relief acts in bankruptcy prevail?

Only as indicated in reply to the twelfth interrogatory.

15. Are fortunes readily made and lost?

At present, no; formerly, more so, credit being now restricted to proper limits; business is steady, speculations rare. At the same time good profit is realized, and merchants as a rule are prosperous.

16. What are the general effects of credit?

Credit, when judiciously given, stimulates trade immensely, and to the benefit of all parties concerned; when otherwise it leads to over-trading, the middlemen and even the importers sooner or later falling into the hands of the usurers, when their fate is decided, their final and total depletion being only a question of time in almost all cases.

A. MORRELL,
Consul.

UNITED STATES CONSULATE,
San José, Costa Rica, July 5, 1883.

HONDURAS.

REPORT BY VICE-CONSUL ROLOFF, OF AMAPALA.

I beg to acknowledge receipt of your dispatch to consular officers, of the 15th of May last. Its contents I have duly studied, and now I permit myself to answer in the following manner:

Credit always stimulates very much commercial transactions, and for this very reason the merchants of this Republic provide themselves from Europe mostly, where they receive a credit from six to twelve months, and only buy from the United States those articles which bear very high prices in Europe, as flour, grain, and a few other kinds of merchandise. From Europe they receive their dry goods (only very few come from the United States), fancy goods, hardware, &c. It would be very difficult for the merchants of South and Central America to accustom themselves to the way of doing business in the United States when for many years their trade has been with Europe, and have been accustomed to their way of doing business with long terms of credit. If the United States merchants desire to get the business of this country they must imitate the merchants of Europe, and once in possession of the trade of South and Central America, then they may accustom the people to the way business is done in the United States.

In this country, the same as in all others, there are people who are adverse to making promises which they cannot fulfill, while there are others who do not object to any whatever; but before there is any credit given it is advisable to ask for proper information.

This Republic has a very good code of commerce, which offers security to all who do business here, but this same code is of no importance at all if there should be any revolutionary troubles in this country. For the last seven years, however, all has been perfectly quiet in this Republic, and it seems it would remain so in the future, as everybody only thinks of settling down to work for new enterprises.

The extent of credit which prevails here is about two-thirds of the commercial volume.

Commercial losses depend entirely upon the political state of the country; when peace prevails everything flourishes.

Those who buy for cash have the advantage of lower prices than those who buy on time.

The interest on time accounts is generally 12 per cent. per annum in this country.

The classes with which the evils of credit are most conspicuous are the agriculturists. A bad crop may bring them under very great obligations, and it may be difficult to get out of them again.

None of the products or manufactured articles of this country require cash returns, without exception.

If a person desires credit, and is not known, or there is not full confidence in him, he has to mortgage his property and also to compromise himself for his present and future possessions. When the person is well known, and has good credit, a simple document is sufficient, stating in it amount, terms, &c.

For the merchant who fails in business it is difficult to resume again until he has satisfied his creditors, or compromises.

Bankruptcy is not very frequent here, but still it will happen. The laws are rather hard on those who fail.

With a commercial house, well assorted, on the American principle, "quick sales and small profits," I think a fortune can be made readily, if peace prevails in the country.

American goods are very little known in this country; only a few articles are imported from New York yearly, and flour and grain from San Francisco. I think it would be very desirable to make known American manufactures here. It would be advisable that merchants of the United States should send agents to this country as those of Europe do, or open a sample room for American manufactures, so that people may learn to know the difference between them and European manufactures.

CARLOS ROLOFF,
Vice-Consul.

UNITED STATES CONSULATE,
Amapala, August 16, 1883.

BRITISH HONDURAS.

REPORT BY CONSUL MORLAN, OF BELIZE.

In reply to your circular-letter dated May 15, 1883, containing the interrogatories of the Board of Trade of Scranton, Pa., I will state that the conditions of trade here are very different from what is customary in Pennsylvania and other manufacturing centers.

In Belize there are no factories of any kind, and the few mechanics who find work here do not work by the same rules that are observed elsewhere. For example, work commences here at 6 o'clock a. m., and at 9 o'clock all stop work and go to breakfast, taking an hour for that purpose; they then work until 4 o'clock p. m., when the day's work is done, and all go home to dinner.

Wages here are not as high as in the United States, averaging \$1 to \$2 per day for journeymen mechanics, such as carpenters and builders of all kinds. Money is also at an average discount of 10 to 12 per cent., as compared with American coin. (The Mexican dollar is the standard here, and a pound sterling is called five dollars.) I might also add that the workmen do not accomplish near so much work in a day as the average American, as they do not seem to work to advantage and are never in a hurry to get through or see how much work they can do.

Credit is very general here and undoubtedly stimulates trade. In fact, credit prevails here to such an extent that it might be said that business could not be conducted without it. People here are not at all averse to contracting debts, and if time is no object it is generally safer to credit them for small amounts. They are, however, very slow

in paying up, and when they do, it is usually with the intention of contracting another and perhaps greater debt.

All the mechanics and laborers, and, in fact, all the inhabitants of this blessed region can get time or have credit until they get a bad name with the storekeepers here; then credit is at an end. Experience with most of them here proves that it is safe to credit them with a small amount on first acquaintance, which is generally promptly paid, but the credit which follows the first trial is apt to prove very long, if not an absolute loss.

There are no special laws here in regard to collecting debts, but special laws are enacted in regard to hiring hands to mahogany and logwood works and sugar plantations. Most of the laborers of this class sign a contract before the police magistrate for six months' or a year's time and receive three or four months' wages in advance. Wages are usually \$10 to \$12 per month with rations.

The greatest bulk of the trade here with the country merchants and traders is done on credit. They usually come to town once or twice a year and settle up the old account and get credit for a new one. It is a general rule here to charge interest on time accounts that are much overdue, but with good customers this is not generally insisted on, as there is considerable competition among the merchants here for that trade, and a good customer would have little trouble in having at least a part of the debt extended through two or three years.

There are no means of ascertaining the exact amount of losses incidental to credit business, but I should estimate it at about 10 per cent. of the total amount of credit.

Cash buyers here have a great advantage, if they choose to adopt the "jewing principle," *i. e.*, make lower offers than the price asked, the inducement being the ready cash. But merchants here do not, as in the United States, have their price lists and billheads ornamented with the discounts for spot cash or a limited time, as, for example, 6 per cent. off ten days, 5 per cent. off thirty days, or four months net.

The evil effects of credit are most apparent with the lower classes and those who have small but regular salaries, such as clerks and Government officials, as it induces them to spend their salaries long before they are earned.

The only articles that command cash returns in Belize are natural products of all kinds, particularly those that are suitable to ship to Europe or the United States. The principal articles of export are mahogany, logwood, sugar, India rubber, sarsaparilla, &c.

Credits of record, such as mortgages, judgments, &c., are very common in the colony, and are found among all classes, more particularly small traders and property holders. The colony has no bank or banking-house, consequently there is not much done in that line among the larger property holders and merchants of the colony. Most of the lands of the colony are either crown lands or are held by the large firms and companies, and consequently they have no one to borrow from or to mortgage to.

Business here has usually been of a very profitable nature, and the number of failures in actual business has been comparatively few. The worst failure that ever occurred here was caused by the action of a branch house in London. In that case the principal creditors here had a meeting and forced the house to go into bankruptcy, which was accordingly done. The house finally paid 15 shillings in the pound, or 75 per cent. of its indebtedness. Owing to the fact that the colony is small and failures are few, special laws for bankrupts do not exist. The

common law of England is in force here. A man cannot leave the colony while there is a judgment against him that is unsatisfied. This law is sometimes put in force when it would appear that the debtor is leaving the colony with the intention of defrauding his creditors. The average creole here does not often leave the colony except for short trips, and consequently losses caused by people running away do not often occur. The foregoing remarks have reference to the retail trade and the exports of the colony with Central America. Merchants and manufacturers who expect to sell goods in this part of the world must be prepared to give long credits, as people here have to sell that way, and even were the merchant here to sell immediately and for cash, the time that must elapse between shipping the goods, receiving them, selling, and sending the money or produce to pay for them, could not be much less than six months. The European merchants understand this thoroughly and make their calculations accordingly. They sell goods mostly on from six to twelve months' time, and if the buyer overruns the year, they add a small interest, say 5 per cent., and are well satisfied therewith.

Merchants of this part of the world, in ordinary goods from Europe, have to make up their orders at least six months before they expect to receive their goods, and when the goods arrive, six months more is not too long a time to expect to realize on them.

Fortunes have been readily made and lost in Belize in times gone by, but at present trade is much closer, and although fortunes are not so readily made as in former days, business as a rule is very profitable and the number of failures are few.

The general effects of credit are, I think, beneficial, as it stimulates trade, and affords small firms opportunities of business that would be denied them were everything cash, and also assists large mercantile houses to bridge over their embarrassments. Without it there would not be much wood cut, as most of the gangs of men engaged in cutting are paid by money that is advanced to the captain or contractor for that purpose.

What is really necessary for the American exporters to get their proper share of the trade of Belize, is to buy more of the products of the country, viz, mahogany, dyewood, &c., and, as mentioned in my report on the commerce of this colony, a good, reliable manufacturer's agent would undoubtedly do a good business, and build up a demand for all classes of American manufactured goods.

In provisions, the market is almost entirely supplied from the United States, but in cotton and other manufactured goods the United States does not begin to compare with England.

The total imports of the colony for the year ending December 31, 1882, are as follows:

From Great Britain	\$591, 290
From United States	498, 245
From Central America	60, 600
From all other countries	14, 265
Total.....	1, 164, 400

I hope that my efforts to answer the questions propounded by the Board of Trade of Scranton will prove satisfactory.

ALBERT E. MORLAN,
Consul.

UNITED STATES CONSULATE,
Belize, August 6, 1883.

SOUTH AMERICA.

UNITED STATES OF COLOMBIA.

PANAMA.

REPORT BY CONSUL ADAMSON.

The circular from Department of State, dated May 15, 1883, has had my careful attention. It calls for replies to certain interrogatories proposed by the Board of Trade of Scranton, Pa. Understanding that each consular officer is required to consider the questions only in their relation to his particular district, I deemed it prudent to consult the most experienced and successful merchants of Panama before attempting to reply, and the answers which follow are the result of thorough discussion of each point with intelligent business men.

1. Does credit stimulate trade?

Yes, undoubtedly; but if we confine the answer to profitable trade, then it only does so when carefully restrained within limits marked by strict prudence.

2. Are people averse to contracting debts?

No; not more than one person in a hundred shows any such aversion.

3. Are there any sumptuary laws or regulations concerning credits?

None.

4. To what extent does credit prevail in proportion to volume of business?

The answer to this question must, of necessity, be a variable quantity. There are and have been certain periods of activity and consequent general prosperity which make money plentiful, enhance the price of labor—of things which poor people have to sell—of lands and houses, or the rental thereof, &c. Such periods, for instance, as during the rush to California in 1849; during the time employed in making the Panama Railway, when large amounts were disbursed on account of construction of said road; during the war in the United States for suppression of the great rebellion, when vessels of war frequently visited this port or that of Colon, on the opposite side of the Isthmus, and by their expenditures made money very plentiful; and now on account of the enormous sums expended here by the Inter-oceanic Canal Company, by which labor, food products, rents, value of property, &c., are greatly enhanced in price, owing partly to excess of demand over supply and partly to greater purchasing power of the people who have their labor to sell. During these exceptional periods of prosperity cash payments have been larger and the proportion of credit to volume of business is estimated at 66 per cent. In the intervening periods of dullness the proportion of credit has been about 80 per cent.

5. To what extent do losses incidental to business prevail?

From about 6 per cent. in times of prosperity to 10 per cent. in the intervening periods of dullness.

6. Do tradesmen extend credit to mechanics and laborers?

The laboring classes here are improvident, and as a rule have no reserve fund of savings. In order, therefore, to do any business the small shopkeepers are compelled to extend to them a monthly credit, which is limited or enlarged according to their confidence in the customer. Large profits are depended upon to make good the inevitable losses from bad debts.

7. What advantage have cash buyers?

The value of guarantee on risk—say now about 6 per cent. on sales to retailers.

8. Is interest demanded on time accounts?

Yes, on credits over six months, but it is seldom paid.

9. With what classes are the evils of credit most conspicuous?

Small retailers.

10. What kind of produce or manufactured articles command cash returns?

All native produce, viz, India rubber, hides, ivory, nuts, and bananas command cash; there are no native manufactures worthy of mention.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

No; those who have money to lend are shrewd foreigners, as a rule; men who know the vexatious delays attendant on foreclosures, and their usual mode of securing themselves is to take a deed for the property, and then bind themselves to reconvey it on payment of a stipulated sum (equal to loan and interest) within a fixed period.

12. When a person in business has once failed or has been discredited, can he resume, and what are the obstacles to such resumption?

After ten years he may resume without liability for old debts, the only obstacle to such resumption being lack of capital or such bad reputation as to forbid credit being re-extended.

13. Is bankruptcy frequent?

Not publicly so. The execution of the processes of law is so retarded by vexatious delays that creditors make compromises with debtors rather than force the debtor's estate into hands of "receiver."

14. To what extent do relief acts in bankruptcy prevail?

To a very limited extent, if any. Merchants here do not force debtors into taking the benefit of any such acts, as they think the receiver's charges would leave but little for distribution.

15. Are fortunes readily made and lost?

They are made with difficulty, through many deprivations, and with risk to health and life, and they are easily lost.

16. What are the general effects of credit?

To stimulate trade unhealthily unless extended with great caution.

THOMAS ADAMSON,

Consul.

UNITED STATES CONSULATE,
Panama, June 28, 1883.

BARRANQUILLA.

REPORT BY CONSUL DAWSON.

CREDIT GIVING.

In response to your circular-letter of May 15, 1883, concerning credits in this consular district, I have the honor to state in answer to the first interrogatory, "Does credit stimulate trade?" yes; and that is the reason why England has the principal trade of this place, houses in Manchester and London giving merchants here from six to nine months and charging from 5 to 6 per cent. interest only, and 3 per cent. commission. And, of late, even the manufacturers of articles like thread and

earthenware have begun trading directly with this country, charging no commission and no interest, and giving from three to four months' credit.

CONTRACTING DEBTS.

In reply to your second question, "Are people averse to contracting debts?" the answer is, no; because the length of time granted abroad and the high rates of interest and exchange here induce merchants to prefer to contract debts in the United States and Europe, where they can pay them with the produce of this country. Business is also carried on extensively here with merchants and producers in the interior on the credit system, they being allowed six months in which to meet their obligations.

SUMPTUARY LAWS.

There are no sumptuary laws or regulations in this country concerning credits. Business is carried on almost wholly on the credit system, and yet the losses are remarkably small, notwithstanding tradesmen and laborers obtain credit easily.

CASH TRADE.

Cash buyers generally have the advantage of from 5 to 10 per cent. in their favor, though no interest is charged on time accounts.

EVILS OF CREDIT.

The evils of the credit system are of course most conspicuous among the small tradespeople—the shopkeepers—who, being in no danger of going to jail for their debts, do not hesitate to run up bills against themselves which they have not the ability to meet.

The exports from this place which command cash returns are hides, skins (goat and deer), quinia bark, coffee, fustic (dyewood), balsam, India rubber, and tobacco; the imports commanding cash returns are breadstuffs and machinery.

Credits (mortgages, judgments, &c.) are matters of record, and are most prevalent among mechanics and laborers and persons out of active business.

RESUMPTION AFTER FAILURE.

If a man fails in business, and makes an honest showing to his creditors, there are no obstacles in the way of his resuming business. But bankruptcy is a very rare occurrence here. It is alleged that there have been but two cases in this city in thirteen years, and there are no relief acts in bankruptcy.

Fortunes are not readily made at the present time, and are generally pretty securely kept. Business is in a healthful condition, and constantly increasing in volume at this port. Hence the general effects of the credit system in this country seem to be beneficial.

THOMAS M. DAWSON,
Consul.

UNITED STATES CONSULATE,
Barranquilla, July 18, 1883.

VENEZUELA.

REPORT BY, CONSUL DALTON, OF CIUDAD BOLIVAR.

1. Does credit stimulate trade ?

It undoubtedly does.

2. Are people averse to contracting debts ?

Responsible people are.

3. Are there any sumptuary laws or regulations concerning credit ?

None whatever.

4. To what extent does credit prevail in proportion to the volume of business ?

The bulk of sales are made on a credit of from four to twelve months ; there are so few cash sales made that they may be called almost nominal.

5. To what extent do losses incidental to business prevail ?

About 10 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily ?

No ; the mechanics generally are not worthy of much credit, and the laborers (called peons) are mostly illiterate Indians, who gain about \$1 per day, which goes as soon as received, for the most part in rum.

7. What advantage have cash buyers ?

Cash buyers have great advantages over those that buy on credit, inasmuch as any merchant would be pleased to allow $12\frac{1}{2}$ per cent. discount off the time prices.

8. Is interest demanded on time accounts ?

No.

9. With what classes are the evils of credit most conspicuous ?

Petty mercantile merchants.

10. What kind of produce or manufactured articles command cash returns ?

All articles of this country's produce are bought or sold for cash. Manufactured goods are all foreign ; are sold on time.

11. Are credits of record (mortgages, judgments, &c.) prevalent ; and, if so, among what classes ?

No ; they are effected in this way : Suppose I own a house worth \$15,000, and am pressed for money. I go to a moneyed man and borrow, say, \$10,000, for which I give the house to him in pawn, and agree to return the money borrowed in a specified time, with interest ; but if I fail to do this at the appointed time the house is forfeited to him without his going to law to recover his money.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption ?

A man who has failed in business can resume again without any legal obstacles, but the merchants here are very shy about giving such a man credit.

13. Is bankruptcy frequent ?

Bankruptcy is not very frequent, and only occurs among the petty merchants in the interior. The wholesale merchants here, for the most part German, are nearly all heavily backed in Europe.

14. To what extent do relief acts in bankruptcy prevail ?

When a merchant fails his creditors always prefer to give him plenty of time to realize what he can from his assets, rather than carry the case

into the courts and have everything squandered away by fees before it is settled.

15. Are fortunes readily made and lost ?

Formerly fortunes were readily made and lost, but now, in a mercantile business, it is very hard to make more than a living. There are a few exceptions, however, where even at the present day fortunes are made and lost in the gold mines here.

16. What are the general effects of credit ?

The general effects are to stimulate trade.

JOHN DALTON,
Consul.

UNITED STATES CONSULATE,
Ciudad Bolivar, September 11, 1883.

BRITISH GUIANA.

REPORT BY CONSUL FIGYELMESY, OF DEMERARA.

I have now the honor to report on the interrogatories propounded in your circular of May 15, 1883, for the information of the Board of Trade of Scranton, Pa.

1. Does credit stimulate trade ?

Yes.

2. Are people averse to contracting debts ?

Not in Demerara.

3. Are there any sumptuary laws or regulations concerning credits ?

There is the law of prescription ; an account may not remain unclaimed over three years.

4. To what extent does credit prevail in proportion to the volume of business ?

In the proportion, say, one-quarter cash and three-quarters credit.

5. To what extent do losses incidental to business prevail ?

An average of from 8 to 10 per cent. on retail merchant transactions ; a smaller percentage in wholesale business.

6. Do tradesmen extend credit to mechanics and laborers readily ?

Yes.

7. What advantage have cash buyers ?

Hardly any ; they are still paying for the credit customers.

8. Is interest demanded on time accounts ?

Interest cannot be demanded, and the law allows 6 per cent. only from the date of citation.

9. With what classes are the evils of credit most conspicuous ?

All classes.

10. What kind of produce or manufactured articles command cash returns ?

Sugar, molasses, and rum. If any executor, trustee, or guardian sells produce of the sugar-cane on credit, and the amount is not paid, he is personally responsible for the loss.

11. Are credits of record prevalent among planters and storekeepers ?

Among the classes holding immovable property mortgages are prevalent.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption ?

A person can resume as soon as the court grants a discharge ; a cer-

tain proportion in numbers and value of claims of the creditors may petition the court in the insolvent's favor to expedite his discharge.

13. Is bankruptcy frequent?

Yes.

14. To what extent do relief acts in bankruptcy prevail?

To my knowledge, there are no relief acts in force in this colony; relief is left to the discretion of the creditors. (See their action in the twelfth answer.)

15. Are fortunes readily made and lost?

Fortunes are readily made by economy and strict application to business, and easily lost by extravagance and imprudence.

P. P. FIGYELMESY,

Consul.

UNITED STATES CONSULATE,

Demerara, September 1, 1883.

BRAZIL.

RIO DE JANEIRO.

REPORT BY CONSUL-GENERAL ANDREWS.

With reference to the Department's instructions of the 15th May last, calling for information as to the practice and effect of credit in commercial and industrial affairs in this consular district, I would state that although I had heard the general subject of the credit system in this country frequently discussed by business men, yet, before attempting to give replies to the interrogatories which the Department sent, I obtained the views of three or four able and experienced merchants of this city, and, as their opinions harmonized in a remarkable degree, I have substantially adopted them for the answers I now have to communicate. Two general remarks, however, may here be made in the way of introduction. First, the long credit system of this country is a subject of frequent complaint in all business circulars; second, the system has probably been caused, in a large degree, by the great extent of the country and the difficulties of communication.

1. Does credit stimulate trade?

It does, undoubtedly.

2. Are people averse to contracting debts?

They are not. As a rule, people buy on credit, and it may be said that the natives are more addicted than foreigners to incurring debts; of course, as in all large cities, there is a class who, in small trade, will pay cash till they can get credit, and who, after running up as large a bill as they can, will commence trading elsewhere. This practice of "sponging," which is not peculiar to any country, causes the dealer to demand a higher price than he would do if there were no bad debts.

3. Are there sumptuary laws or regulations concerning credits?

There are not.

4. To what extent does credit prevail in proportion to the volume of business?

At least three-fourths of the volume of business will be on credit. With a capital of \$20,000 it is usual to be owing about \$100,000, or in that proportion.

5. To what extent do losses incidental to business prevail?

In dissolving partnerships, for example, 10 per cent. would, as a rule, be deducted for bad debts. If a house should liquidate suddenly the losses might be from 30 to 50 per cent. Many instances of failure turn out very badly. In an average of failures less than 50 per cent. is paid. And it is considered exceptionally good in case of failure to pay 50 per cent. of the indebtedness. There is more liability to loss in trade in fashionable goods than in other branches of trade. Debts due druggists, physicians, and the clergy are privileged.

6. Do tradesmen extend credit to mechanics and laborers readily?

They do; usually to the amount of half their wages. Mechanics and laborers are usually paid semi-monthly; in some cases weekly.

7. What advantage have cash buyers?

Even in retail trade those who pay cash buy at cheaper rates than those who are known to ask credit. In wholesale trade the cash buyer gains a very considerable advantage. In the dry-goods trade, for example, a credit of twelve months is granted, but if the purchaser pays cash he will get 12 to 14 per cent. discount. Wine and olive oil are sold at ten months' credit, or 10 per cent. discount for cash; beer at eight months' credit, or 7 per cent. discount for cash; and the same in respect to provisions.

8. Is interest demanded on time accounts?

Interest is demanded and obtained by the importer on overdue accounts, say, at the rate of 9 or 10 per cent., or 1 per cent. above the rate of the banks. Wholesale dealers who sell to the interior often try to get interest, but seldom succeed, and are only too glad to get paid without interest. A retail dealer would be likely to charge interest after six months.

9. With what classes are the evils of credit most conspicuous?

Those who from various causes are the most inclined to live beyond their means; people in public employment, professional people, and fashionable people. In mercantile walks the evils of credit are most apparent in the class who buy from the importers and sell to the small retailers, particularly those who sell to the interior.

10. What kind of produce or manufactured articles command cash returns?

Generally all products of the country are sold for cash or on three months' credit. Coffee, the leading product, is a cash article. Fresh meat, fresh fish, and mechanical work command cash. In imports, salt, lumber, petroleum, copper, lead, and codfish are cash articles. Sixty days' credit is sometimes given for iron, otherwise it brings cash. Flour is sold at six months' credit, or cash at 6 per cent. discount. All goods except those manufactured are sold on acceptances in case of credit. The banks advance money on signed accounts, but do not discount them. There appears to be a tendency to increase the list of cash articles.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Such credits are prevalent among owners of real estate, but not among the mercantile class. Probably every three planters out of five have their estates mortgaged, and where the loan has been made by a private individual the interest is at 10 to 12 per cent. Judgment credits are not common, it being expensive to obtain a judgment. There is, however, a system of amicable adjudication in which a plaintiff at the court of first instance or of original jurisdiction obtains judgment for so much of a claim to be paid monthly. If the debtor fails so to pay, appeal can be had to a higher court, which gives judgment for the whole amount.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

If he has failed legally and gets a release there is nothing to prevent his starting again. But if he had practiced fraud he would be liable to punishment, and it would be very difficult for him to resume business. Usually, when a party fails he can obtain a full discharge if three-fourths in value of the creditors assent, and he could afterwards resume. The court first requires an insolvent debtor to make an offer to his creditors. If he leaves his affairs unsettled, or the creditors do not trust him, they appoint one of their number as receiver and two others as managers, and wind the business up themselves.

13. Is bankruptcy frequent?

Bankruptcy that is settled according to legal forms is not frequent; but failures attended with private settlement are frequent.

14. To what extent do relief acts in bankruptcy prevail?

This question has not been clearly comprehended. If it refers to acts to facilitate the discharge of insolvent debtors, the answer is that there exists a general and permanent bankrupt law. If it refers to allowances for the debtor's support, the answer is that barely enough is allowed him for temporary support.

15. Are fortunes readily made and lost?

The replies by three merchants to this question were as follows: No more frequently lost than made; they are readily made and lost, but not commonly. I would say from my limited observation that business here is conservative and conducted with that steady and economical spirit which is characteristic of the Portuguese. The accumulation of great fortunes is not of frequent occurrence.

16. What are the general effects of credit?

"Business," says one merchant, "would be greatly reduced without credit. It could not be done without credit. Only five men in one hundred could do business without credit." Says another, "The general effects of credit are beneficial to the country, but individuals often suffer. Business would diminish four hundred per cent. if there were no credit." The answer of another is, "To promote business. The general effect of credit is favorable to commerce."

Credit, to a reasonable extent, is capital, and naturally is an incentive to industry and an aid to wealth. Still it is probable that its use here can be greatly improved; and no doubt an exhaustive discussion of the subject, such as with the aid of the Department has been initiated, may tend to correct opinions and usages which have long been current. Certainly, in a moral point of view, there is need of reform the world over in respect to the habit of running in debt.

Before closing I will mention that in the coffee trade the London banks are accustomed to give credit at the rate of £2 sterling per bag (132 pounds) of coffee. With the large steamships in use, a single cargo of coffee is sometimes worth \$500,000, and it would be almost impossible for individuals to handle even parts of such cargoes were it not for the credit extended to them by the great centers of capital, the banks.

C. C. ANDREWS,

Consul-General.

UNITED STATES CONSULATE-GENERAL,
Rio de Janeiro, September 6, 1883.

PERNAMBUCO.

REPORT BY CONSUL ATHERTON.

1. Does credit stimulate trade ?

Credit stimulates trade.

2. Are people averse to contracting debts ?

They are not averse to contracting debts here.

3. Are there any sumptuary laws or regulations concerning credits ?

There are no sumptuary laws or regulations concerning credits.

4. To what extent does credit prevail in proportion to the volume of business ?

All the business in imported goods is done on credit ranging from ninety days to eight months.

5. To what extent do losses incidental to business prevail ?

Owing to the short crop of sugar there have been large losses by bad debts this year ; in good times they are liberal in credits, yet a percentage of loss occurs even then.

6. Do tradesmen extend credit to mechanics and laborers readily ?

There are not many mechanics, and I think they do not buy on credit ; the laborers buy in very small amounts and pay cash.

7. What advantage have cash buyers ?

Cash buyers here always have a great advantage.

8. Is interest demanded on time accounts ?

Interest is demanded on time accounts if payment is delayed over the term of credit agreed on, but it is very seldom paid.

10. What kind of produce or manufactured articles command cash returns ?

Sugar and cotton are the principal staples, but all the products of the soil sold for export are sold for cash.

10. Are credits of record (mortgages, judgments, &c.) prevalent ; and, if so, among what classes ?

Credits of record exist on the plantations. Most of the planters are in the same condition as ours before the war—in debt to their factors or merchants. Owning very large tracts of land, only a small part of it is cultivated. Real estate in this city is not, as a rule, mortgaged. It is not a favorite security with the capitalist ; it is difficult to raise money on mortgage except by paying high rate of interest.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption ?

There is no difficulty in a person who has failed arranging with his creditors. There is a good bankrupt law ; and having this law enables debtor and creditor to make a compromise without placing the estate in the hands of officers appointed to execute the law. In regard to a person resuming, he would be in a similar position as he would be in the United States. The merchants and traders here are good business men, and can be trusted to take good care of their interests.

13. Is bankruptcy frequent ?

Bankruptcy has been frequent this year, on account of the short crop of sugar.

14. To what extent do relief acts in bankruptcy prevail ?

The relief acts in bankruptcy are liberal, and only marked cases of fraudulent bankrupts are denied their discharge.

15. Are fortunes readily made and lost ?

Fortunes are made and lost easily enough in sugar and cotton.

16. What are the general effects of credit?

The general effects of credit, in my opinion, are good.

HENRY L. ATHERTON,
Consul.

UNITED STATES CONSULATE,
Pernambuco, July 16, 1883.

URUGUAY.

REPORT BY CONSUL RUSSELL, OF MONTEVIDEO.

I have the honor to acknowledge the receipt of "Circular to the consular officers of the United States," submitting certain interrogatories prepared by the Board of Trade of Scranton, Pa., comprehending the scope of information desired "on the systems of credits which prevail in, and their relation to and effect on the general prosperity of, the several countries," and on which you desired a report from this district. I would, in reply, respectfully submit the following as being as prompt, correct, and concise responses as practicable to the questions propounded, viz:

1. Does credit stimulate trade?

In a country like Uruguay, not fully developed, and where money is not a plethora, credit does stimulate trade. In the city of Montevideo it is the one and indispensable element of trade, which may be said to be almost exclusively carried on by the capital of foreigners. The local dealers will only buy at five and six months' credit, and very seldom redeem their promissories by cash discount. The cause and origin of such long credit may be explained by the long time required for the goods bought in this city to reach the centers of distribution in the camps or country towns, and the long time the country dealer has to wait ere he can dispose of them and obtain returns, and these returns by barter as frequently as by cash.

2. Are people averse to contracting debts?

They are not, and the reason is embodied in reply to question No. 1.

3. Are there any sumptuary laws or regulations concerning credits?

Sumptuary laws are quite unknown. Nor do *any* laws or regulations here affect trade credit directly in this regard.

4. To what extent does credit prevail in proportion to the volume of business?

I would judge, from reply to question No. 1, that about 50 per cent. of the whole volume of business is done on credit.

5. To what extent do losses incidental to business prevail?

Very few losses have taken place within the last ten years. The local dealers are cautious and frugal, consisting for the most part of Italians and Spaniards.

6. Do tradesmen extend credit to mechanics and laborers readily?

Tradesmen readily extend such credits for short periods. Day mechanics and laborers have little need of credit. A few may and do readily obtain fourteen days' credit for boarding and lodging, wages here being paid *fortnightly*. Mechanics having shops and employing from two to a dozen men readily obtain credit for the materials they work up, and could hardly exist without such extraneous aid.

7. What advantage have cash buyers?

Cash buyers obtain from 4 to 6 per cent. discount.

8. Is interest demanded on time accounts?

No interest is included, professionally, in a cash purchase, but interest is charged of 6 to 9 per cent. if the credit is exceeded. The banks discount the promissory notes of the dealers, and collect them when due; and any inability or hesitancy to pay on the part of the purchaser or dealer who signs it would severely wound him in credit and reputation.

9. With what classes are the evils of credit most conspicuous?

Among those who do not live within their means or income. Notably owners of real estate, as this property has given very small returns for some years.

10. What kinds of produce or manufactured articles command cash returns?

All products of the country, such as hides, wool, tallow, cattle for food, skins, jerked beef, mares' grease, cereals, as also a few protected articles, made in the country, such as furniture, saddlery, iron bedsteads, &c., but of trifling aggregate. These command cash returns, and are generally paid for before they are received from the seller.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

The answer to this may be said to be comprised in reply to No. 9. They are, however, prevalent among real-estate owners and cattle dealers.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

He can resume by complying with the requirements of the law—making a cession of all his property to, or by making a private arrangement with, his creditors. Great leniency is accorded the unfortunate. If cause can be shown, and no fraud be imputed, a letter of rehabilitation is readily secured and fresh credit extended to an industrious person.

13. Is bankruptcy frequent?

May be said to be rare, having seldom occurred for a number of years.

14. To what extent do relief acts in bankruptcy prevail?

To the extent of 40 or 50 per cent. by creditors.

15. Are fortunes readily made or lost?

Fortunes are slow of accumulation, and may be said to be rare in trade. They are not readily lost, owing to the prudence of the people, who are not easily excited.

16. What are the general effects of credits?

To stimulate trade, the *only* stimulant, as explained in reply to question No. 1.

A. S. RUSSELL,
Consul.

UNITED STATES CONSULATE,
Montevideo, July 31, 1883.

ARGENTINE REPUBLIC.

REPORT BY CONSUL BAKER, OF BUENOS AYRES.

I am in receipt of the circular of the Department of State, based on the suggestions of the Board of Trade of Scranton, Pa., stating that information in regard to the systems of credit which prevail in different countries, and their relation to and effect upon their general prosperity, would be interesting to the industrial and financial interests of the

United States, and requesting me to prepare such a report with reference to the Argentine Republic.

In complying with this request I may premise that the general subject of credits in the Argentine Republic is one of such large proportions, embracing such a wide range of investigation, as well as so many different interests, and has to be considered from so many points of view, that I am afraid I shall not be able to do it justice within the scope assigned by the Department, and especially in the limited amount of time at my disposal. And even had I the leisure, the matter is so new to me, or, rather, I am so unfamiliar with financial modes and methods, that I can hardly expect to do myself any credit in discussing it.

THE RELATION OF CREDIT TO MONEY IN NEW COUNTRIES.

I suppose that credit may be defined as the acquisition by one party of the money of another in loan, according to conditions voluntarily agreed upon between them. Money, in all organized societies, is the great medium through which exchanges are effected, whether the exchanges be of material products or of labor, and a metallic currency is the universal commodity which has been adopted for facilitating these exchanges; so that there is really a wide difference between money and credit. In their effects, however, they very frequently accomplish the same purpose, and it is owing to this fact that credit has become so important a factor in the transaction of the world's business. Indeed, so great is the influence of credit, that, if it is not wealth itself, it may at least be said that all operations in which credit is given or acquired resolve themselves into a new distribution of wealth that is already in existence. Even if there were coin enough in the world to effect all the exchanges called for, credit would still be a necessity, from the fact that commercial transactions between distant societies, and especially between different nations, cannot, without great inconvenience, be accomplished through the means of coined money actually delivered to meet the balances of trade. Still more absolute, however, is this necessity from the fact that the amount of coin in circulation in any country has ever been and must continue to be wholly insufficient to meet its commercial wants, and this insufficiency must be made good through the medium of credits. In no other way can the intercourse between not merely different countries, but different individuals of the same country, be so cheaply and so satisfactorily conducted; and, if a system of credits is important in older societies and nations, where there is large fixed capital, much more is it necessary in young countries, where the amount of capital is limited and insufficient for the development of the resources of the country and to assist it in the establishment of new industries.

Such is the case and condition of the Argentine Republic. It is young in years and greatly wanting in active capital. With untold flocks and herds feeding on spontaneous pasturage to the very confines of Patagonia, the product of which must find a market abroad; with a soil unsurpassed for agricultural purposes, which yet awaits the plow of the husbandman; with vast mineral resources in the interior provinces, which cannot be reached without expensive machinery; with growing industries of sugar, wine, coffee, silk, &c., all requiring the expenditure of capital, and with a sparse population, possessing but little wealth, scattered over an immense extent of territory, it is impossible in this country to move forward in any department of trade, labor, or industry without the intervention of credit. Without the stimulus thus received

its political advancement and national development would be difficult, if not indeed almost hopeless.

A GLANCE AT THE OLD SPANISH COLONIAL SYSTEM.

The Argentine Republic is still suffering from many of the effects of the depressing political system by which the Spanish Government kept her colonial dependencies in subjection.* All this part of South America formerly composed the viceroyalty of Buenos Ayres. For three centuries after its discovery (1516) it was governed by the Spanish colonial régime, which consisted in isolating the country from the rest of the world for the purpose of more successfully speculating upon its resources. The inhabitants could not enter into commercial relations either with foreign nations or with the other colonies. The Spaniards made a monopoly of the commerce of the River Plate, not merely refusing entrance to all outside traders, but even interdicting all exportation for a certain period. This administrative despotism likewise designated the products which each province should cultivate or exploit; and this designation was made without reference to the nature of the soil or the conditions of the climate. One province was not permitted to plant tobacco even for the use of its inhabitants; another was not allowed to cultivate sugar-cane; a third could not raise cotton; while a fourth had no permission to cultivate even the little coffee which was required for home consumption.

As may well be supposed, such an arbitrary system greatly fettered the progress of the different provinces, and it was not until the end of the eighteenth century that Spain, imagining that she could afford to enter upon a more liberal policy, permitted the viceroyalty of Buenos Ayres to freight each year two vessels of 100 tons each with the products of the already numerous herds which grazed upon the pampas, and send them to the mother country.

CONDITION OF THE COUNTRY AFTER THE REVOLUTION.

Such was the isolated condition of the La Plata provinces up to 1810, when the revolutionary movement against the home Government began. The inhabitants at once threw off not only the political but the commercial yoke under which they had been bowed down for so many years, and lost no time in proclaiming the fullest commercial liberty; but the decree which granted it remained for a long time without effect, for the reason that Spain continued to guard the mouth of the River Plate with her war vessels.

The political hopes, however, which were born of the revolution were doomed to disappointment; for, after the war of independence was finished and Spain had renounced her dominion of all this part of South America, a long succession of civil wars broke out everywhere, utterly ruining the country, which had previously been impoverished by a struggle of fifteen years' duration. Then, in 1835, succeeded for this part of the country the dictatorship of Emanuel Rosas, who, establishing himself in Buenos Ayres, then the only port of the nation, proceeded to adopt a policy which led to a long blockade by the English and French fleets, and a further drain was made upon the resources of the country for the purpose of carrying on an expensive war.

* These facts in regard to the old Spanish colonial system are obtained from *República Argentina*, a work by Richard Nap.

After the fall of this tyrant (February 3, 1852) all restrictions upon commercial liberty were suppressed, and the free navigation of all Argentine waters, by all nations, was decreed by General Urquiza, the provisional President, on the 25th of August, 1852; and this decree was ratified by law on the 1st of October following, so that the Argentine Republic may be said to have really commenced its development in 1853. In fact, however, it was not united under one Government and one constitution until 1862, when the province of Buenos Ayres, until then forming a separate government, joined its fortunes to the other thirteen provinces, and General Mitre was elected first President of the Argentine Republic, followed by General Sarmiento in 1868, by Dr. Avellanada in 1874, and by General Roca, the present incumbent, in 1880.

LIBERAL PROVISIONS OF THE ARGENTINE CONSTITUTION IN REFERENCE TO LABOR, TRADE, AND COMMERCE.

In most of its essentials the constitution of the Argentine Republic is based upon that of the United States, liberal in all provisions pertaining to trade, navigation, and commerce, and especially protective of the rights and privileges of the people in all matters of personal freedom and employment, whether they be natives or foreigners. As showing the scope of these provisions, the following extracts, translated from that instrument, may not be without some interest :

ART. 14. All the inhabitants of the nation shall enjoy the following rights, according to the laws which regulate their exercise, viz: To labor and to practice all lawful industry; to trade and navigate; to petition the authorities; to enter, remain in, travel over, and leave Argentine territory; to publish their ideas in the public papers without censure; to enjoy and dispose of their property; to associate for useful purposes; to profess freely their religion; to teach and to learn.

ART. 16. All the inhabitants of the nation shall be equal in the presence of the law, and admissible to office without other condition than fitness; and equality shall be the basis of taxation as well as of public posts.

ART. 17. Property shall be inviolable, and no inhabitant of the nation shall be deprived of it, save by virtue of a sentence based on law. * * *

ART. 19. Those private actions of men that in no wise offend public order and morality, nor injure a third party, belong alone to God and are beyond the authority of the magistrates. No inhabitant of the nation shall be compelled to do what the law does not ordain; nor be deprived of anything which the law does not prohibit.

ART. 20. Within the territory of the nation foreigners shall enjoy all the civil rights of citizens; they can exercise their industries, commerce, or professions, in accordance with the laws; they can own, buy and sell real estate; navigate the rivers and coasts; freely profess their religion; devise their property and contract matrimony; and they shall not be obliged to become citizens. * * *

ART. 25. The Federal Government shall foment immigration; and shall not restrict, limit, or lay impost upon the entry on Argentine territory of such foreigners as come for the purpose of cultivating the soil, establishing manufactures, or introducing and practicing the arts and sciences.

ART. 26. The navigation of the interior rivers of the nation shall be free to all flags, subject only to such regulations as the national authority may dictate.

POWERS OF THE NATIONAL CONGRESS.

These declarations of rights and personal guarantees could not be more liberal, or more in accordance with the spirit of the age. They not only protect capital and the business occupations and pursuits of the people, but give ample security for contracts and credits of every and all descriptions. And the powers and attributes of the national Congress, by the terms of the same instrument, are equally entitled to our consideration, being so broad in their scope and bearing and made with such statesmanlike regard to the ways and means required for the development of the country, that the nation may be said to be almost

without restriction in its ability to assist commerce and promote the public welfare, both by means of its revenues and of its credit. Among these are the power to establish both import and export duties; to lay direct taxes; to borrow money on the credit of the nation; to provide for the sale of the national lands; to establish and regulate a national bank in the capital, with branches in the provinces, and with power to emit bills; to regulate the payment of the home and foreign debts; to regulate the free navigation of the interior rivers, and open such ports as may be considered necessary; to coin money and regulate the value thereof, and of foreign coin, and to adopt a uniform system of weights and measures; to pass civil, commercial, penal, and mining codes; to enact laws in regard to bankruptcy and the counterfeiting of the current moneys and public documents; to regulate commerce by land and sea with foreign nations and between the provinces; and, generally, "to provide all things conducive to the prosperity of the country, to the advancement and happiness of the provinces, and to the increase of enlightenment; decreeing plans for general and university instruction, and for promoting industry, immigration, the construction of railways and navigable canals, the peopling of the national lands, the introduction and establishment of new industries, the introduction of foreign capital, and the exploration of the interior rivers, by protection laws to these ends, and by temporary concessions and stimulating recompenses."

WHAT CAPITAL AND CREDIT ARE DOING.

In pursuance of these constitutional provisions, and of liberal laws made to give them practical effect, the progress which has taken place in the Argentine Republic during the short period of twenty years has not only placed the Government upon a firm foundation, but gives assurance that, rich in all the elements of national life, it will not be long in reaching the position of a first-class power.

The present outlook of the country, in a commercial and business point of view, could hardly be more encouraging. To the products of cattle husbandry, which has thus far been the leading industry of the people—the amount of wool, hides, tallow, hair, salt meat, bones, &c., standing for nearly three-fourths of the exports of the nation—are henceforth to be added the yearly increasing agricultural products of the interior, the products of the mines of the northwestern provinces, the products of the sugar and wine industries of Mendoza, San Juan, Tucuman, and Santiago del Estero, and the products of the illimitable forests of the Gran Chaco and the riverine provinces of the Upper Parana. When all the sources of national wealth shall be fully developed, supplemented by the establishment of many lines of manufactures, for which this Republic is admirably adapted, and which have already obtained no inconsiderable foothold, capital and credit, which go hand in hand, will have advanced the nation to a position of material prosperity far ahead of that of any country of South America.

THE BALANCE OF TRADE.

To show what capital and credit have thus far done and are doing for this country, so far as the development of its foreign trade is concerned, I subjoin the following figures, taken from official sources,* of

* *Estadística General del Comercio Exterior de la República Argentina 1865 to 1882.*

the exports and imports since 1865, the date when authentic statistics of the commerce of the nation began to be published :

Year.	Amount of imports.	Amount of exports.	Total foreign commerce.
1865	\$27, 103, 017	\$21, 996, 777	\$49, 099, 794
1866	32, 269, 082	23, 049, 797	55, 318, 879
1867	33, 372, 321	28, 078, 834	61, 451, 155
1868	38, 041, 883	25, 013, 661	63, 655, 544
1869	37, 541, 604	27, 527, 110	65, 068, 714
1870	47, 539, 948	29, 248, 146	76, 788, 094
1871	44, 157, 258	26, 125, 937	70, 283, 195
1872	59, 599, 143	45, 742, 192	105, 342, 335
1873	71, 065, 199	45, 869, 314	116, 934, 513
1874	55, 961, 177	43, 104, 712	99, 065, 889
1875	55, 785, 627	50, 331, 400	106, 097, 027
1876	34, 906, 404	46, 539, 307	81, 445, 711
1877	39, 138, 715	43, 325, 669	82, 464, 384
1878	42, 847, 460	36, 313, 287	78, 660, 727
1879	44, 867, 903	47, 765, 287	92, 633, 190
1880	44, 066, 893	56, 467, 423	100, 564, 316
1881	54, 102, 649	56, 098, 104	110, 098, 753
1882	59, 270, 366	58, 440, 906	117, 711, 271
Total	821, 643, 649	711, 039, 842	

The total value of the exports each year, as shown in the above table, will serve as a measure of the annual productive wealth of the country, while the fluctuating differences, year by year, between the exports and the imports show what has been the annual balance of trade against or in favor of the country; or, in other words, the amount of credits which have had to be annually provided for by bills of exchange. In the grand total of exports and imports during the eighteen years embraced in this table it will appear that the total differences or balances of trade against the country, which have had to be settled either by bills of exchange or by the shipment of specie out of the country, amount to the considerable sum of \$110,603,807.

OVERTRADING—COMMERCIAL CRISIS OF 1874.

It will be noticed that, in spite of the fact that the annual value of the exports has more than doubled during the last eighteen years, the value of the imports has steadily kept pace with that of the exports, and this notwithstanding that there has been no corresponding increase in the population. This indicates an amount of overtrading which is unfortunate for the best interests of the country. Indeed, this tendency to overtrading and credit led to a most disastrous crisis in 1873-'74, when the imports ran up to the unprecedented figure of \$71,000,000, the exports only amounting to about \$45,000,000.

By all odds it was the most disastrous commercial collapse which has ever occurred in the Argentine Republic; and the country did not recover from its effects for several years after. Consequent upon it there were a large number of mercantile failures among those engaged in the foreign trade, some of the oldest and most prominent houses being compelled to close. Indeed, owing to the general system of open credits, which up to that time prevailed here, there was hardly a commercial firm in the River Plate which did not more or less feel the pressure. What added to the catastrophe was the fact that the banks which furnished currency for the people—even those which were considered equal to every emergency and had previously weathered all sorts of commer-

cial storms—were forced to suspend specie payments. Gold, required in the foreign trade, went up to a premium of 30 per cent., while as to all internal transactions, paper currency, in spite of its depreciation, was by law declared to be legal tender (*corso forzoso*) for the payment of debts. The disasters reached all departments of trade; custom-house business languished; real estate depreciated; rents went down; exchanges with the interior, which at once demanded cash, were almost paralyzed, and all confidence, not only between importers and jobbers, but between retailers and the public, becoming utterly demoralized, sank to the lowest ebb.

Since then the country has been somewhat more careful in its system of credits, and in curtailing the universal tendency of the people to contract debts. The evil, however, is not yet eradicated, and the imports, in the face of greatly increased production, are again beginning to exceed the exports. There must be some allowance made, it is true, for the fact that all new countries require to import to a large extent the prime necessities of life, and must be supplied from abroad with many lines of manufactured goods which they are not yet able to produce so cheaply or so well as can be done by older nations, if, indeed, they can produce them at all; but even then the quantities of merchandise received here from foreign countries are out of all due proportion to the population of the country, now amounting to only about 3,000,000 of people—just that of the United States at the time of our Revolution.

RELATIVE SCARCITY OF MONEY.

As one of the results of this excess of trading, there has existed from the beginning a relative scarcity of money in the Argentine Republic, large amounts being constantly required to leave the country to pay balances. And what has added to the complication is the further fact that the Argentine Republic has never had any money of its own coinage, but has been compelled to depend upon other countries for its metallic currency. This has consisted principally of the Chilian condor (\$9.15), the Spanish-American ounce (\$15.75), with their halves, quarters, and tenths, the Peruvian 20 soles (\$19.35), and the Spanish doubloon (\$5), together with considerable quantities of the English sovereign, the French 20-franc piece, and the United States eagle; but these were so desirable and valuable that they seldom got into general circulation. The silver circulation consisted of the Chilian, Bolivian, and Peruvian dollar and its fractions. With all these different moneys in the hands of the people, the difficulty as well as the losses in calculating accounts made up in decimal currency at the rate of 100 cents to the dollar can be imagined.

THE NEW COINAGE LAW.

Fortunately, however, for the convenience of the people, in 1880 the Argentine Congress passed a law for the establishment of a national mint in this city, the first the country has ever possessed; and in 1881 it adopted a new coinage law,* doing away entirely with all the old standards, and making the gold or silver dollar (*peso de oro ó plata*) henceforth the monetary unit of the Argentine Republic, the gold dollar to be of the weight of 1.6129 gramos (equal to 25.1 grains English weight), of the fineness of 900 parts of gold to 100 of alloy, and the silver

* *Disposiciones Fieozles de la República Argentina.*

dollar to be of the weight of 25 gramos, of the fineness of 900 parts of silver to 100 of alloy; and since then the mint has been busily engaged in turning out the new national money; the law further providing that the legal circulation of all foreign gold coinage shall be prohibited so soon as the gold coinage shall reach \$8,000,000, and that the legal circulation of all foreign silver coins shall be prohibited so soon as the silver coinage shall reach \$4,000,000, after which times all acts, payments, and contracts must be expressed in national money. The national Government some time ago ordered that the public accounts should henceforth be kept in the new dollar or unit of value; and it has now issued another order requiring all banks of issue, in accordance with the terms of the law, to withdraw from circulation all bills or notes based on the old unit of value, and replace them by a new emission in national money; also requiring them to withdraw entirely from circulation all notes of a less value than one national dollar. The law will have a good effect in ridding the public of a fractional currency based on the old provincial 4 cents "peso" or unit of value, the national Government reserving to itself the right to issue a fractional currency based on the new national dollar or unit of value to the amount of \$8,000,000.* It is stated that in the course of another month the full amount of gold and silver, heretofore referred to, will have been coined by the national mint; and that after that date all transactions, all accounts, and all payments will be required to be made on the basis of the new money, the dollar of which, it will be observed, corresponds to the French 5-franc piece, being equal to 94.5 cents computed in dollars of the United States.

PAPER CIRCULATION.

I have several times referred to the paper circulation of the Argentine Republic. It is the universal medium through which exchanges are effected among the people. In former times there were private banks of issue, not only here in Buenos Ayres, but in some of the interior provinces. At present, however, I believe that the only two banks which are allowed by law to issue circulating notes are the Bank of the Province of Buenos Ayres and the National Bank of the Argentine Republic, the principal business houses of which are located in this city. In order to fully appreciate the question of credit in this Republic, it is of first importance to understand the nature and franchises of these two great monetary institutions. I take them in the order of their establishment.

THE PROVINCIAL BANK OF BUENOS AYRES.†

This institution was founded as early as 1822 by a meeting of foreign and native merchants, presided over by Don Manuel Garcia, then finance minister. Its first operations were merely those of a discount bank. In 1826 it was converted into a national bank, with a capital of \$4,400,000 gold, mostly furnished by the Province of Buenos Ayres, under the name of the "Bank of the United Provinces," and became a bank of issue, its circulation amounting to \$2,694,856. This in turn

* The national bank has the contract for issuing this fractional currency.

† I am indebted to Mulhall's Handbook of the River Plate for this historical reference to the Provincial Bank, and to the "*Censo general de la Provincia de Buenos Ayres*" for the figures.

was merged into the "*Casa de Moneda*" in 1836, and became under Rosas the fiscal agent of the Province of Buenos Ayres. By this time its circulation had increased to \$15,500,000, but the exchangeable value of its notes had gradually depreciated until they were then only worth about 14 cents to the dollar; and they continued to depreciate rapidly and ruinously, many persons losing fortunes by the violent fluctuations. In 1839 the amount of the circulation had increased to \$24,000,000, and the value had correspondingly decreased, until in November of that year its notes were worth only 5 cents to the dollar. But having the sanction of the Government as legal tender, and there being no other money in circulation, the people were obliged to use them. In 1840, by order of Rosas, \$12,000,000 more were emitted, and the unfortunate paper went down to about 3 cents to the dollar. During the next six years there were no further emissions, and the value of the notes went up to 8 cents to the dollar; but during 1846 the circulation, by order of Rosas, was increased by \$75,000,000, and the value of the currency went down to about 3 cents to the dollar, the amount at that time in circulation reaching to \$126,000,000. After the fall of Rosas the emissions grew more frequent, and by 1853 amounted to \$91,000,000 additional. Then was invented the scheme of improving the value of the currency by burning, and about \$7,000,000 were thus destroyed by the Government in 1853, which somewhat enhanced the value of the remainder. But in 1859 came on the civil war against General Urquiza, and a new emission of \$85,000,000 took place, and the value again went down to 4 cents to the dollar. In 1861 a second civil war broke out, which called for the emission of \$100,000,000 more, thus further depreciating the currency until its value was almost nominal. In this emergency a law was passed (1864) prohibiting any further emission. At the same time monthly burnings by the bank were resumed, whereby \$55,000,000 were destroyed. At the beginning of 1864 the total circulation of the bank amounted to \$340,000,000, with a fluctuating value of from 3 to 5 cents to the dollar. These fluctuations, however, were so ruinous to tradesmen and laborers, and so seriously affected the price of the staple articles of produce, that there was a general outcry among the people. Schemes were proposed for definitely fixing the value of this currency by law, and finally, in 1866, a national exchange office (*oficina de cambios*) was established where the paper was freely redeemed at 25 "pesos" to the gold dollar, being 4 cents to the paper dollar. Since this time the currency of the Provincial Bank has remained steadily at this figure, the paper or four-cent dollars, in the absence of silver coin, affording an excellent substitute for small change. The benefit to trade and business which was effected by this determination of the provincial government to redeem its bills was incalculable. The ordinary currency of the bank up to the present time has been in notes of \$1 (4 cents), \$5 (20 cents), \$10 (40 cents), \$20 (80 cents), \$50 (\$2 gold), \$100 (\$4 gold), \$200 (\$8 gold), \$500 (\$20 gold), \$1,000 (\$40 gold), and \$5,000 (\$200 gold). Besides these, in late years, it has also issued specie or gold notes of various denominations. The original notes of the bank were printed in London. They were poorly done and easily forged, but for a long time the National Bank Note Company of New York has furnished the supply. All these various notes are now, however, by law required to be retired from circulation and replaced by bills representing national currency. The total amount of its emission at the present time is about \$400,000,000 of currency notes, which, at 4 cents to the dollar, is equal to \$16,000,000 gold, and about \$20,000,000 of gold notes;

making a total circulation of about \$36,000,000 gold, and which is at any time redeemable in gold at the *oficina de cambios*.

With this eventful career and these varied fortunes, the Bank of the

PRESENT CONDITION OF THE BANK.

Province of Buenos Ayres to-day stands in the front rank of the moneyed institutions of South America, and few establishments of its kind are able to present such a development of credit and prosperity, backed and supported as it is by the resources of the province itself, and annually capitalizing the immense profits it receives from its business. Its capital to-day amounts to 35,000,000 of gold dollars, and its deposits to \$30,000,000, while its operations exceed \$100,000,000. It enjoys great fiscal privileges, and in bankruptcy cases has a priority over all other creditors. No other bank in the Province of Buenos Ayres has the right to issue, and its bills are legal tender in the payment of debts. It receives deposits of not less than \$16; and these deposits are entitled to interest, if not withdrawn before the expiration of sixty days, after which time they bear interest from the day of deposit. All interest not drawn before the end of the year is added to the capital. All deposits at interest are entered in a book which the bank delivers to depositors, in which all payments of interest and capital are entered; and all interest is payable after the first of the month or on withdrawing the deposit. Thrice a week the bank discounts bills with two signatures at ninety days' sight; and promissory notes at six days to four months on condition of payment at maturity. It draws at three days' sight, on its branches at La Plata, Dolores, San Nicolas, Chirilcoy, Mercedes, Lobos, Salto, Azal, Baradero, Chascamus, Tandil, Viente Cinco de Mayo, Exaltacion, San Pedro, Pergamino, Las Flores, Arrecifes, Bragado, Juarez, San José, Belgrano, Baracas, Ayacucho, and Bahia Blanca. It sells exchange on all the principal cities of Europe; makes loans to the national and provincial governments, as also to all industrial establishments planted in the interior, with guarantee, and transacts all the fiscal business of the province with Europe. This bank, until the recent crisis, was in the habit of advancing money on promissory notes or *pagares* on the following terms, to wit: 1st, to holders of real estate without any charge except the interest and requisite stamps for renewals; 2d, to traders, requiring only a small percentage of amortization payable every ninety days. These facilities have since been very greatly curtailed, and at present advances are made on the following terms, to wit: 1st, to holders of real estate, not less than 20 per cent. of the loan to be paid off every ninety days, thus extinguishing the loan in a year and a quarter's time; 2d, to traders, on condition that 50 per cent. be paid off at ninety days and the balance at one hundred and eighty days. At the expiration of such term, and providing the bills are met, the borrowers can make fresh application.

The management of the Provincial Bank consists of a president and sixteen directors, nominated annually by the governor, and confirmed by the provincial senate. Its banking house is one of the largest and handsomest in the western hemisphere. The president of its board is now ex-Minister Uriburú.

THE NATIONAL BANK.

The National Bank* was chartered by the Argentine National Congress in 1872, with an authorized capital of \$29,000,000, of which it was

* *Informes de la Comision examinadora del Banco Nacional, 1873 to 1883.*

provided that the National Government should subscribe \$2,000,000 and private individuals \$5,000,000, the balance being reserved. Subsequently, in 1876, the authorized capital was reduced by Congress to the sum of \$8,000,000; and in 1882 the stock was again, by act of Congress, authorized to be increased to \$20,000,000, of which \$6,000,000 were taken by the National Government. The charter of the bank runs for twenty years, and provides for at least one branch in each province. The shares are payable to order or bearer, as desired; in the former case, they are transferable only on the books of the bank. The institution is not permitted to buy or make loans on the credit of its own stock, but can receive and dispose of it in payment of insolvent debts. The franchises of the bank are as follows: 1. To emit notes payable at sight to bearer, holding a metallic reserve of at least one-fourth part of the circulation. 2. To issue notes or obligations payable to order or bearer at fixed times. 3. To discount, receive deposits, make loans and advances on promissory notes, letters of exchange, treasury orders, and every kind of commercial paper, whose time of maturity shall not exceed six months; but every direct credit exceeding \$100 must have the vote of the majority of the board of directors. 4. To open credits and contract loans with the national or provincial governments, with municipal or other corporations, firms, and individuals, under a guarantee of bonds or paper negotiable in the market, or which may receive the approval of the board; in the cases of loans to the nation or to the provinces a two-thirds vote is required. 5. To make and accept debts, buy and sell exchange, and give letters of credit. 6. To make loans on bullion of the precious metals. 7. To make collections and payments on foreign accounts. 8. To establish agencies and open and maintain relations with foreign commercial and banking houses, but the bank has no power to make loans to institutions or persons who are not domiciled in the Republic, nor can it take any part, directly or indirectly, in industrial operations or loan money on mortgage.

The bank does not enjoy fiscal privileges in the Republic, but it is provided that its credits shall not be inferior in point of preference to those of any other banking establishment organized by provincial law. The bills of the bank and all paper issued by it are exempt from taxation or stamp, and the bank and its branches not only act as national depositories, but all judicial deposits, national or provincial, must be made in these institutions.

The prosperity of this bank and the immense business it is doing are the wonder of all commercial circles. As showing the increase in its operations, I take the following figures from its balance-sheets or statements for the years respectively named:

Items.	1876.	1883.
Paid-up capital	\$8,000,000	\$20,000,000
Deposits	1,623,572	12,481,927
Advances in accounts current	249,260	14,488,241
Circulation	3,407,997	11,500,430
Reserve	2,515,160	5,112,167

The bank is administered by a president and eight directors, four of them elected by the shareholders and four nominated by the President and confirmed by the Senate, the active management being under the

charge of a general superintendent (*jerente*), which post Mr. C. Diehl, a distinguished financier, has occupied for several years. Dr. Pacheco is president of the board.*

These two great moneyed institutions are supplemented by two others, which also have most important offices to perform in the matter of ef-

* While duly complimenting the national and provincial banks, the Buenos Ayres Herald, in a recent issue, thus suggests the adoption in this country of the national banking system of the United States:

THE BANKING SYSTEM YET TO COME.

The monetary system of this Republic is being improved greatly as compared with the anarchy which until now has characterized it. Heretofore we have had no national coinage, no national or uniform nomenclature, and no connection or harmony between current customs in different parts of the Republic. We have now entered upon a uniform system. True, it has a false basis, starting with a dollar for a unit which is not a dollar but 5 francs, or about 97 cents, divisible by no system save that of francs, a system which will give infinite trouble with bonds, foreign loans, and reduction of values. Still it is a system uniform throughout the nation, and therefore a great improvement on anything we have had hitherto. Our banking arrangements have also been greatly improved. The provincial banks remain intact, accommodating themselves to the new money law in their emissions, but otherwise pursuing their usual course. The *Banco Nacional*, with its mixed character of private shareholders and state management, actually and practically a state bank, is becoming gigantic and powerful in its operations, and when fully organized will reach in its power to the remotest limits of commercial relations in the Republic.

There is much to be said in favor of these state banks. Without them it would have been a dark prospect which would have stretched out before those who have done most for the development of this Republic. It would be difficult to estimate the impulse given to enterprise by these institutions, and we should be slow to raise a voice against them until some adequate substitute could be assured for the people. Theoretically, a state bank cannot be defended. To put the fate of business and credit in the hands of a political machine, which a state institution must always be, is a most dangerous experiment. It is wonderful that we know so little of this considering the length of time we have known state banks, and especially has our own Provincial Bank been a marvel without precedent in this direction, but even here, if the deepest recesses of its history were brought to daylight, it would be found that even with this phenomenon the danger we mention would find sufficient facts to serve as illustrations. We are no enemies to either provincial or state banks; on the contrary, we can see and concede their great good to the country and the salvation they have brought to the smaller borrowers who otherwise would get little consideration; but keeping all this in mind, we repeat that it is a dangerous power for the people to allow in the hands of officers of the Government. We mean no offense when we put the question bluntly: What could not Governor Rocha do with the Provincial Bank, and what could not President Roca do with the National Bank? Each executive has in his hand an engine of incalculable power. Suppose it should occur that these positions should be occupied by bold, bad, and dangerous men, what a terrible power would these banks give!

All the good we have and all the danger we fear could be avoided by a general law and system of free banking, by means of which each section could have its own banks managed by its owners, and therefore quick to see and serve public interests. The system which has resulted in such incalculable benefit to the United States would bring to us a power, an aggregation of capital, of conservative influence, such as no man has dared to imagine. Each business center in this Republic should have its bank, organized under a uniform law, with a secured and guaranteed circulation, thus having in every shareholder a missionary of peace and order whose interest would lie in the same direction as the public good. Every bank on such a basis would make a home market and a permanent demand for national securities as the guarantee for a note emission, relieving our credit in the world's market from much of the burden it now carries. Such a system would be too great and too extensive to be manipulated by party or politics. This is the only reason which we can imagine that it has not been done, and, perhaps, will not be done at present. Minister Plaza, when previously in charge of the finances of the nation, studied this system and was an ardent advocate of it, and we presume he is so still, but waits because he sees that the exigencies of politics and the condition of public opinion do not present favorable conditions for presenting it, but in the system of free banking is our hope of the best results, and the final system of banking which must be adopted, when we freely become liberated from the old-time political bondage.

fecting loans and giving credits. I refer to the Provincial Mortgage Bank (*Banco Hipotecario*) and the Provincial Pawn Office (*Monte de Piedad*), both located in this city.

THE HYPOTHECARY BANK.

This institution* was founded in 1871 by the provincial legislature. According to its statutes it is really a dependence of the Provincial Bank, although it has its own board of directors. Its object is to facilitate and make loans on mortgage, to be paid on long time by annual amounts, which include the interest, the amortization, and the commission of the bank. Its transactions have already reached to very large proportions. Its operations consist in issuing cedulas, or certificates of credit, which are transferable, based on real estate mortgages made in its favor; in collecting the amounts falling due to the bank from the mortgager, and in paying the interest falling due to the holders of cedulas. These cedulas are issued in series; all those which bear the same interest have the same per cent. of amortization, and the same times for the payment of interest belonging to the same series. By the terms of the law, the interest cannot exceed 8 per cent., nor can the amortization be more than 2 per cent. nor less than 1 per cent. The cedulas are made payable to bearer or to order, and in the latter case they are transferable by indorsement. They circulate like other securities, and are bought and sold on the market. In all cases the cedulas bear the same rate of interest that the bank collects from the mortgagee. The value of the real estate mortgaged cannot be less than \$2,000, nor can the loan be less than \$500, and the loans are not permitted to exceed one-half of the value of the property mortgaged. The annual amount which the bank receives is divided into quarterly payments; and the cedulas which at present the bank is issuing are series E and F, which have twenty years and one hundred days to run, 6 per cent. interest, 2 per cent. amortization, and 1 per cent. commission; in all 9 per cent., or $2\frac{1}{2}$ per cent. quarterly. The mortgager, however, is at any time allowed to release his property in whole or in part by anticipating the contract. The manner of making the loan is as follows: The applicant makes his request in writing, designating the real estate which he offers to mortgage by exact boundaries, accompanied by his title deeds and abstract, his tax receipts, and the amount of the loan which he desires to effect, the bank furnishing the forms and the tables of amortization, and paying the amount of the loan in cedulas. The provincial government is responsible for all the transactions of the Hypothecary Bank.† Besides the operations mentioned, it has likewise the following franchises: 1, to make financial arrangements, with the consent of the governor, to facilitate the placing and the payment of interest on cedulas held abroad; 2, to open credits within and without the province, with the consent of the governor of the province; 3, to organize and open a savings department, on such basis as the legislature may sanction; 4,

* *Censo General de la Provincia de Buenos Ayres.*

† The principle of a mortgage bank is so rational and just, and has in practice accomplished so much in this country in giving accommodation on long time and at a reasonable rate of interest to those in need of ready money, that I venture to suggest that such institutions would be found very convenient and serviceable in the United States, by securing borrowers from extortionate rates of interest on loans and from "cut-throat" mortgages. There is now pending a bill in the Argentine National Congress for a national hypothecary bank, with branches in all the different provinces, and, as it will probably become a law, I give a synopsis of the provisions of the proposed act of incorporation in an appendix to this report.

to make loans to farmers and agriculturists on such terms and conditions as the legislature may provide; 5, to open credits for the erection of houses under special conditions and guarantees; 6, to make loans to municipal and other corporations under such guarantees and securities as may be agreed upon; 7, to make loans for the drainage of lands, taking into account the increased value which the lands will thus acquire, and under such regulations as the legislature may provide; 8, to establish, with the consent of the governor, such branches outside the province as may be deemed necessary.

The Hypothecary Bank is under the direction of a president and eight directors, nominated by the governor and confirmed by the provincial senate, together with an advising attorney, a judicial agent, and a notary. Señor Llamli Campbell is president of the board.

PROVINCIAL PAWN OFFICE.

The Provincial Pawn Office* was organized in 1877 by the legislature of the province of Buenos Ayres. Its object is to loan money on pledges or pawns, in the discretion of its officers, and according to a classification which is made periodically. The rate of interest on these loans is fixed by the executive board every six months, and is invariably to be paid in advance. The time allowed on these loans varies from one to twelve months. The loan is for two-thirds the value of the article pawned. The certificates given (*polizas*) are made transferable by indorsement, and express the nature, condition, and quality of the article pawned, its valuation, the amount of the loan, the rate of interest, the time allowed, and the date when the amount becomes due. The establishment operates with money advanced by the Provincial Bank, in account current, with mutual interests. The *Monte de Piedad* is under the direction of a president and an executive committee of five members, nominated by the governor and confirmed by the provincial senate. The law further authorizes the establishment of these public pawn offices in all the cities of the province, under the same regulations, at the request of their municipal authorities, and with the approval of the governor.

THE BUENOS AYRES EXCHANGE.

The *Bolsa* or commercial exchange, of the city of Buenos Ayres is the locale where in great part the exchanges of a financial or commercial nature are effected and quotations of stock and actual sales of produce are noted. It is a handsome building situated in the center of business. It is open from 12 till 3 o'clock every day but Sundays and feast days. It is very generally attended by merchants and brokers of all nationalities, and a half-dozen languages, especially German, French, Italian, English, and Spanish, can be heard there at the same time. The hall is commodious, but is not near large enough to accommodate the increasing business. On one side a large blackboard on the wall gives the daily quotations of stocks and other monetary transactions; on the other side are noted the quotations of produce; while on still another blackboard are written the commercial telegrams from Montevideo, together with shipping news. The liquidation-rooms are at the farther extremity, together with reading-room. Up-stairs is the board-room, occupying the whole front of the building, with manager's and committee rooms and offices.

* *Censo general de la Provincia de Buenos Ayres.*

The Buenos Ayres Exchange is an institution of only recent date. During the time of Rosas, the dictator, no *Bolsa* was permitted to be opened. Even private meetings of merchants were broken up by the police, so suspicious was the Government of political conspiracies. A few days after the fall of Rosas (1852) the merchants organized a temporary exchange, and on the 10th of July, 1854, a regular *Bolsa* was established, with a signature of 118 members. In 1860-'62 the present building was erected by a joint-stock company, with a capital of \$55,200. The subscription is \$50 per month, and the annual profits of the *Bolsa* are distributed thus: 90 per cent. to the shareholders and 10 per cent. to the members in general. The institution has been so successful that the shares are at a high premium and difficult to be obtained, the annual dividends being from 12 to 20 per cent. No one can become a member unless a resident for over twelve months in the country and engaged in commercial pursuits, besides being recommended by a member. Brokers must have two recommendations. Consuls are admitted as honorary members. Ship captains are admitted free. Strangers can get visitors' tickets through the members.

The kinds of stock usually on quotation at this board are National Bank shares, cedulas of the Hypothecary Bank, shares of the various gas companies, Government bonds for roads and bridges, national treasury bills, exchange, and discounts. Occasionally we see quotations of national bonds, but as this stock is in great part held abroad, its quotations are more likely to be found among the shares of the London or Paris Exchange.

THE NATIONAL DEBT AND PUBLIC CREDIT.

As intimately connected with the question of national credit, it may not be out of place to state that the bonded debt of the Argentine Republic* on the 31st of December, 1882, reached to the sum of \$102,426,627.92, as follows:

Various English loans from 1824 to 1873	\$52,987,152 00
Loans of 1860, 1863, 1872, and 1876, called "internal"	17,081,031 03
Loans for bridges and highways	1,061,233 34
Loans of 1881 and 1882	17,437,706 67
Loans for constructing a port at the Riochuelo River (Buenos Ayres) ..	2,430,916 66
Treasury bills, &c.	5,428,588 22
Total	102,426,627 92

This is an increase of \$20,409,336.42 since the 31st of December, 1881. The above figures, however, do not include the balance of the bonds for the Riochuelo port, about \$2,000,000, nor the city improvement (sewerage) works loan, amounting to \$8,000,000, neither of which had been put in circulation at the date of the last report of the minister of the national treasury. And now, on the heels of all this, the Argentine National Congress, which adjourned a few days ago, has made the following additional appropriations, to be realized out of the issue and sale of national bonds, to wit: For the Andine Railway, \$3,600,000; for the railway extension from Tucuman to Salta and Jujuy, \$6,300,000; for repairs on the Tucuman Railway, \$2,000,000; for the railway extension from Frias to Santiago del Estero, \$1,500,000; for the railway extension from Recreo to Chumbicha, \$2,100,000; for building a port at Rosario, \$2,000,000; for a wharf at San Nicolas, \$120,000; for dredging the

* *Memoria del Ministerio de la Hacienda*, 1883.

channel in the La Plata River at Martin Garcia, \$1,150,000; for wharves at Corrientes and Concepcion, \$300,000; for the completion of the Rio-chuel port works, \$1,200,000; for sinking artesian wells in the interior provinces, \$700,000; for city improvement works, \$2,000,000; for the erection of light-houses on the Atlantic coast, \$1,300,000; for the erection of telegraph lines, \$130,000; for the purchase of railway station of the Western Railway, in Buenos Ayres, \$220,000; for bridges, \$250,000; total appropriations, \$32,000,000. All these appropriations will swell the total national indebtedness of the Argentine Republic to about \$142,000,000. It may be said in favor of this increase that it is to be invested in great public works, which are urgently demanded in the development of the resources of the country. It is a question, however, whether instead of thus swelling the bulk of the nation's indebtedness, it would not be better to leave such works of internal improvement to private enterprise. The number of loans which the Government has during the last few years launched in Europe, and these which are now to follow, cannot fail ultimately to tell upon the public credit, unless great prudence and care are employed. It must be said, however, that the credit of the Argentine Republic continues to occupy a high place in the commercial centers of Europe, and the quotations, in the face of the new loans, have shown a constant tendency to improve, the most favored bonds being at a premium, while some of the others range between 70 and 85 per cent. Treasury bills in this market are now selling at a premium of 114 per cent.

BANK DISCOUNTS AND CREDITS.

In regard to discounts and credits, the banking institutions I have mentioned afford the usual facilities, as do also several well-known loan and discount banks located in this city, among which may be named the London and River Plate Bank (limited), under charter in England, with an authorized capital of \$10,000,000, of which \$7,500,000 has been paid up, with a reserve fund of about \$800,000; also the English Bank of the River Plate (limited), with an authorized capital of \$7,500,000, and a paid-up capital of \$5,000,000, established about a year ago; also the Bank of Italy and the River Plate, with a paid-up capital of \$1,500,000 and a reserve fund of \$200,000; also the Carabassa Bank, a private native bank, which does an immense discount business and enjoys a large share of public confidence. With all these institutions discounts are conventional, according to circumstances, but generally about 7 per cent., and they charge 9 per cent. on debit balances in account. On deposits in account current they allow 3 per cent.; on deposits subject to thirty days' notice of withdrawal 3½ per cent.; on deposits for ninety days fixed 4 per cent. The facilities offered by these banks are availed of by all classes, merchants and tradesmen, owners of large estates and the owners of one small house.

Moneyed men or capitalists, as a rule, only make advances or loans on property, on what are here called *retroventas*, the borrower being entitled to pay off the amount borrowed with the stipulated interest at any period before the expiration of the time mentioned in the deed.

COMMERCIAL CREDITS IN THE ARGENTINE REPUBLIC.

It may be said in reference to commercial or mercantile transactions, that credit is the rule rather than the exception. Indeed, about the only articles for which no credit is given are those of export, no matter

what their character may be. In buying the produce of slaughtering-houses (*saladeros*) and of sheep-boiling establishments (*graserias*), it is customary for the buyer to make advances a considerable time before he can receive anything. Grain, when bought for immediate shipment, is usually paid for against the bill of lading or mate's receipt; and, when bought for holding, is paid for on delivery at the store-house. All other produce is payable on the Saturday after delivery. This is so far as the merchants are concerned, but in many instances the persons from whom the merchants buy have to make advances to the growers.

CREDITS BY IMPORTERS, DEALERS, AND RETAILERS.

Up to the time of the commercial crisis in 1874, already referred to by me, there was no system or rule in regard to credits among the foreign importing houses, either in regard to limit or time. But the disastrous effects of that collapse gave rise to a movement among importers chiefly interested in the dry-goods trade, which, on the 4th of February, 1875, resulted in what is called the *convenio de pagarés* (promissory note agreement), which has met with approval and support. The object of the founders and upholders of this *convenio* was to restrict the term of credit and at the same time to require that promissory notes (*pagarés*) should be given for purchases. The term of credit fixed was not to exceed five months, monthly statements being made up and the buyer signing a note for the amount of the month's purchases or paying cash with discount.

In lumber, hardware, building materials, and ships' stores, sales are usually made on six months' credit from the date of delivery, sometimes with and sometimes without a note.

In the grocery and comestible lines of business many houses make it the rule to sell only for cash, for which the usual discount is allowed. Others sell to well-known houses at six months' credit from date of delivery with note, while still others do all their business on a six months' credit in open account.

Wholesale houses dealing with country merchants have to give credit without any fixed time for payment, a rather careless way of doing business, but up to the present time no one has taken the initiative to correct the system. These open credits are the result of the competition which exists among dealers to find customers.

Country merchants and those who have their shops in the small towns, who supply the wants of the *estancieros* and "camp" men, as a rule, only get their money in when the wool-clip is sold, when they are enabled to pay off their debts to the wholesale houses.

FOREIGN CREDITS.

Many wholesale houses in Buenos Ayres now have agents in Europe, who, in consideration of the business put in their hands, give an open credit in proportion to the amount of business done. In this way a large trade which used to be transacted by importers does not now pass through their hands at all.

ANSWERS TO THE INTERROGATORIES PROPOSED BY THE DEPARTMENT.

Having thus given a general view of the relation which credit sustains to capital in the Argentine Republic, with a historical *résumé* of

the commercial non-intercourse under which the country labored all through its colonial existence; and having taken a glance at the liberal provisions in reference to labor, trade, and commerce which are guaranteed by the Argentine constitution, and the industrial development which has followed its adoption; and likewise having traced the rise of the different banking and other monetary institutions of the nation with their effects upon credit, and noted likewise the system of credits which now prevail in different classes of commercial transactions, it now only remains for me to refer, in the order in which they are stated, to the interrogatories on this subject* which are contained in the circular of the Department, some of which have already been virtually answered.

EFFECTS OF CREDIT UPON TRADE.

1. In regard to the effect of credit upon trade, the subject of the first interrogatory, it is hardly necessary, after what has been said by me, to add that credit does very materially stimulate commercial intercourse in the Argentine Republic. This being a new country, credit is really an article of prime necessity. Indeed, there would be but little trade and no development without it. The great trouble, however, has been that these have opened opportunities for too much credit, and the result has been overtrading; and then, the corresponding reaction and depression. Since the system of selling for credit in open account has been curtailed and the bill system has been established, trade in general has been in a more healthy state, trade bills as a rule being met at maturity; whereas, under the old system, when the purchaser's account fell due, he then commenced to pay on account; and in many instances it happened that the importer was obliged to feed his debtor's business to enable himself to obtain payment.

THE TENDENCY TO CONTRACT DEBTS.

2. In general reply to the second interrogatory, it may be said that human nature here is quite the same that it is elsewhere; and every one who can command credit is very willing to ask for it, however difficult it may be for him to meet the obligation at maturity. And so in business. As a rule, neither the wholesale nor the retail houses buy for cash from the importers. One business man, from whom I made the inquiry, says that "dealers are only disposed to avoid contracting debts when they think there is some chance of their being able to buy cheaper later on." It has been further stated to me that at least one-third of the sales made by retail houses in this city are on credit. In the country towns it reaches to about one-half, the debtors, as I have said before, promising to pay at shearing-time, and in some cases giving a lien on their produce.

NO SUMPTUARY LAWS.

3. There are in the Argentine Republic no sumptuary laws of any description. The Government does not pretend to watch over the private economy of the people or to restrain their expenses. It may be said that, as a rule, the laboring masses are frugal and careful of their earnings, very many of them having bank accounts for the surplus after the payment of weekly bills. And this much may, in addition, be said in regard to them, that they conduct themselves with unusual sobriety, not indulging in intoxicating drinks, and generally conducting themselves with a view to better their condition. I refer more particularly

* Many of these answers are the result of inquiries made by me directly of leading merchants and other business men in Buenos Ayres.

to the mechanics, artisans, and day laborers employed in the cities. "Camp" life has a tendency to breed excesses; and those employed on *estancias*, either to watch sheep or herd cattle, are very apt, when on Sundays or feast days they meet at the *pulperia* or country store and grog-shop, to spend all their wages in strong drink, and end the day by a general fight. Among the *gaucho* element this is especially true, and is the result, I suppose, of the want of any other occupation or amusement to while away the tedium and listlessness of the solitary life they lead on the pampas. There will, however, be less of this when the agricultural element begins to predominate in the country.

As for "regulations concerning credits," each gremio, trade, or class has its own, to which it adheres as far as possible, but the law makes none.

PREVALENCE OF CREDIT IN PROPORTION TO BUSINESS.

4. It is difficult to be exact in answer to the interrogatory as "to what extent credit prevails in proportion to the volume of business." So far as importers are concerned, I am informed that about seven-eighths of the business is done on credit. As regards exporters, as I have before said, all sales are made for cash, and in many cases advances are made to the seller, not only before he is prepared to deliver, but also before he is in possession of what he has undertaken to deliver. As regards wholesale houses, one of the oldest merchants in this city tells me that "where one purchase of importance is made for cash, ninety-nine are made on time"; and another says, "As a rule the importing merchant gives credit to the wholesale dealer, who in turn gives credit to the country storekeeper and the retailer; and the country storekeeper gives credit to his buyers; so that cash sales are the exception."

BUSINESS LOSSES.

5. In answer to the question as "to what extent losses incidental to business prevail" in the Argentine Republic, it may be generally said that the proportion of losses always keeps pace with the amount of credit given. Of course, if there were no credit given there would be no losses. The business of this country is, however, at present, in such a healthy condition that the losses are very trifling in comparison with the amount of business done and the credit given. One well-known merchant tells me as his experience that "the *del credere* account (2½ per cent. on gross sales) is sufficient to cover all losses during the year." Another says "the *del credere* charge of 2½ per cent., usually made by merchants, is more than sufficient to meet all bad debts in normal times; in times of crises it is not sufficient."

CREDITS TO MECHANICS AND LABORERS.

6. As to "the extent that credit is extended to mechanics and laborers," the purport of the sixth interrogatory, I would reply that these classes of the Argentine people are able to obtain constant work at good wages; and, as a body, are well able to pay their way. They are principally foreigners, who are noted for their small expenses, and are known to be putting by money every year. Such as are of good character and properly recommended can obtain credit at the Provincial and other banks to the extent of \$1,200 gold; but, of course, more than a moral guarantee is required.

ADVANTAGES TO CASH BUYERS.

7. The seventh interrogatory asks, "What advantage have cash buyers?" It may be answered generally that they have a reduction in

price which is equivalent to 12 per cent. per annum. In the grocery and comestible trade the credit is four months, with 4 per cent. discount for cash. In the dry-goods trade the credit is five months from the end of the month, with 5 per cent. discount for cash payments. If a merchant, however, demands cash, he will have to allow even more, or be cut off from many buyers.

INTEREST ON TIME ACCOUNTS.

8. In regard to "interest on time accounts," it may be said that it is often demanded, but seldom paid. Most invoices have printed on them that at the expiration of a certain time interest will be charged, but in the great majority of cases it is not enforced. If legal proceedings are taken for the recovery of an account, only 7 per cent. per annum from the date of the action is recoverable; but as the costs of the suit (left to the discretion of the judge) are invariably more than the interest claimed, the attempt to collect interest by law is seldom made. A merchant, in explanation of the fact that interest is not paid on time accounts, says that "as a general rule the price of the articles sold is fixed on a basis of five to six months' credit, and of course the interest is included in the price itself." In the retail trade no interest is ever demanded.

THE EVILS OF CREDIT.

9. The ninth interrogatory asks, "With what classes are the evils of credit most conspicuous?" The word "classes" may be open to many translations, but if it refers to gremios, or trades, I do not know that any particular one is in this respect more conspicuous than another. It is the general impression, however, that those who suffer the most from the evils of credit are persons with small fixed salaries, such as clerks, salesmen, under-officials of the Government, military and naval officers, particularly if they have families to provide for; for the reason that being compelled to present a respectable appearance on a narrow margin of income, if they once get behind with their accounts, it is extremely difficult, without considerable personal self-denial, to get even again. So far as merchants are concerned, of course the evil results of credit are most conspicuous and most compromising with those who are unable to collect what is owing to them; and many an enterprising house caught in a pinch or a bad season has been compelled to succumb, for the simple reason that it could not realize from those to whom, when business was easy, it had given credit. It is the old story, which is constantly recurring the world over.

ARTICLES THAT COMMAND CASH RETURNS.

10. The tenth interrogatory, as to what kind of produce or manufactured articles command cash returns, has already been fully answered. Articles of export are alone sold for cash. Articles manufactured here in the country are at present comparatively few, and, as they enter into competition with the imported article of the same kind, of course they are subject to the same regulations in regard to credit. Our American manufacturers have, in many cases, declined to make sales to the merchants of this country unless the price was deposited before the shipment, while others demand to draw against the goods, payable on arrival of cargo; but the system of credits in European countries is so liberal and so universal that the United States, except in special cases, receives orders only for what cannot be procured elsewhere.

CREDITS OF RECORD.

11. In regard to the prevalence of credits of record, the subject of the eleventh interrogatory, it may be answered that they are not excessively so, but are most usual among persons of comparatively small means who wish to purchase and stock outside lands, furnishing a part of the money themselves and going to the Hypothecary Bank for the balance, in the expectation of working their property clear by their labor and the increase of their flocks. The same thing is done by holders of real estate in the cities who wish to build, the bank referred to affording them all needful accommodation on long time. To ascertain the proportion of mortgage credits it would be necessary to get at the total value of the real estate in city and country as assessed for taxation, and then from the balance-sheet of the Hypothecary Bank find out the amount of cédulas issued. This would give a fair estimate, after adding a percentage for other mortgages and *retroventas* (*ventas con pacto de retroventas*), but I have no opportunity of obtaining this information.

PROCEEDINGS IN CASES OF FAILURE.

12. The twelfth interrogatory asks, "If a person who has once failed or been discredited in business, can he resume again, and what are the obstacles to such a resumption?" In reply, it may be stated that when a fiat in bankruptcy has been issued against a person in business, two courses are open to him: first, he can let his estate be wound up by the courts; and, second, after the proof of the debts, the bankrupt can request the court to call a meeting of his creditors, as he is prepared to propose a compromise (*concordat*) with them. Under the first process the bankrupt cannot get a discharge until he presents a voucher to the court showing that all his proved debts have been paid in full (Art. 1721 *Cod. de Comercio*). Under the second process, the vote of two-thirds of the creditors who hold three-fourths of the credits, or the vote of three-fourths of the creditors who hold two-thirds of the proved debts, is sufficient to secure his discharge. In either of the above cases mortgage and other privileged claims are excluded; and in either, the majority bind the minority, and the bankrupt is discharged (Art. 1620 *Cod. de Comercio*). It is understood that an insolvent debtor can make a private arrangement with his creditors, but it is only binding on those who enter into such agreement. Those who do not can still exact their "pound of flesh." Where the agreement is signed by *all* the creditors—and it is often done—the debtor is allowed to go on with his business, simply paying perhaps an additional percentage.

Where the liquidation of a bankrupt's estate is judicial, the legal expenses and privileged creditors (the Provincial and National Banks) as a general thing quite take all the assets, leaving nothing for other creditors, so that ordinarily such creditors prefer to accept any reasonable offer to keep the liquidation out of the courts. I may add that confidence in this country is very great, and in most cases it is well founded, as cases of swindling or bad faith are not frequent. As a rule, a person or firm failing in business does not start in trade again in the same mercantile name.

BANKRUPTCY NOT FREQUENT.

13. And in reply to the thirteenth interrogatory, I would add that actual bankruptcy in the Argentine Republic is not frequent, especially among the higher class of traders. As a rule, only the "very bad eggs"

go through the bankruptcy court. In proportion, however, to the amount of business, trade is in a very healthy condition. The profit may not be great, but the risk is reduced to a minimum; and the cases of bankruptcy would be still less if the privileged banks were not so ready to give loans to traders; though, on the other hand, it must be admitted that many traders could not carry on their business without occasional help from these banks.

RELIEF LAWS.

14. In reference to relief acts, the law makes provision that a trader who may be perfectly solvent, but still unable to meet his engagements, may petition the court of bankruptcy to have his creditors called together, in order to get time to pay in full. If at such meeting two-thirds of the creditors who represent three-fourths of the credits, or three-fourths of the creditors representing two-thirds of the credits, should oppose the trader's petition, the court will take the matter into consideration. Should the circumstances, upon investigation, appear favorable, the court will grant him a term, not exceeding one year, in which to pay his creditors in full, appointing two of his creditors, meanwhile, to superintend his commercial transactions and operations (Arts. 1734, 1736, and 1737, *Cod. de Comercio*).

FORTUNES LOST AND WON

15. "Are fortunes easily made and lost?" Before the age of ocean cables and steamer service, enterprising men, well advised in regard to foreign markets, found many opportunities of buying to advantage and selling at large profits; and in former years a few successful turns have been known to make a man comparatively wealthy. But those days have passed. Nowadays the cable at once gives the rise or fall of Argentine produce in European markets; and the margin of profits in such lines is now reduced to the shadow of a shade, except by a lucky hit. And the competition is so great that very frequently the prices of produce in Buenos Ayres are higher than the quotations abroad. A few years ago fortunes were readily realized from sheep-farming; but at present the world's clip of wool has become so great that the price now paid for Buenos Ayres wools leaves but an inconsiderable margin, after paying all expenses. Recently some handsome fortunes have been made in buying wild lands on the frontiers; which, owing to a sudden demand for new *estancias*, in some cases have been sold for two or three hundred per cent. on the investment, or are now held for still higher figures. Formerly fortunes were realized from the slaughter of cattle (*saladeros*) and the rendering of mutton tallow (*graserias*), but many of these establishments* are now closed, not being able to clear expenses. Many

*Mares are never used in this country as draft or saddle horses, but are sent to the *saladeros* to be killed and boiled down for their grease, which is known to commerce as *animal oil*. Owing to the great increase of sheep, a number of *graserias* have been established, principally in the country districts, near some railway or port, which are exclusively dedicated to the slaughter and exploitation of sheep. The operations of these establishments are very simple. The dead sheep is stripped of its skin and the whole carcass is thrown into the grease-boiler, to procure the suet and grease. The cooked carcasses serve afterwards for fuel, which is an improvement on the old method, when, in the absence of wood, it was not unusual to fire the boilers with whole animals scarcely dead. In the case of cattle and mares, even their carcasses are sometimes thrown whole into the great boilers, and then the large bones are ground into bone-flour for European markets.

large European importing houses, which in former times made colossal fortunes, are now, owing to competition and general overtrading, doing little more than paying expenses. But if there are now few cases where fortunes are suddenly made, it is equally true that the cases are still fewer where fortunes, having once been made, are lost. And in the instances where fortunes have been lost, it may be said that "if the cobbler had stuck to his last, the last would have stuck to the cobbler." In this land of speculation, however, a man sometimes goes out of his business, or gets "too many irons in the fire," and, as a natural consequence, he comes to grief.

THE GENERAL EFFECT OF CREDIT.

16. In response to the last interrogatory, it may be stated that credit has about the same effect in this country that it has elsewhere. If judiciously granted, it is beneficial to the honest trader, but if granted to persons for speculative purposes by the Provincial and National Banks the result is sometimes disastrous, as these institutions in every instance get paid in full with interest before the ordinary creditor can touch a dollar. With such exceptions as this, credit may be said to be not merely beneficial, but absolutely indispensable, since a very large proportion of the money obtained on credit is spent in the development of the country itself, and so, either directly or indirectly, does good to all. Indeed, owing to the want of capital among the producing people, if it were not for the existence of generous credit everywhere, no progress, commercial, agricultural, or industrial, could be assured.

THE NATIONAL WEALTH.

In regard to the national wealth, or fixed capital of the people of the Argentine Republic, I find it difficult, in the absence of official statistics, to do more than estimate the value. The Province of Buenos Ayres is generally set down to represent at least two-thirds of the entire wealth of the nation. Now, the last census of this province (the only province that has taken a census), made in 1881, gives the following returns :

Wealth of the Province of Buenos Ayres.

Lands in pasture.....	\$301,286,638
Private buildings.....	47,064,220
Public edifices, provincial and municipal.....	12,800,000
Fencing (mostly of wire).....	16,812,849
Land in cultivation.....	19,764,300
Agricultural implements.....	873,258
Flocks and herds.....	203,043,803
Birds (ostriches, &c.), bees, and silk-worms.....	271,550
Industrial capital.....	17,853,476
Commercial capital.....	32,327,081
Quarries and salt works.....	1,000,000
Railways, telegraph lines, and bridges.....	64,000,000
Carriages and other wheeled vehicles.....	3,635,160
Banking capital.....	100,000,000
Various other objects of fixed capital.....	10,000,000
Total value of fixed capital in the province.....	829,732,315
If we allow one-half of the above total as the fixed capital of the other thirteen provinces it will give them.....	414,866,157
Total value of national wealth.....	1,244,598,472

POPULATION OF THE ARGENTINE REPUBLIC.

According to the latest returns, official in regard to the Province of Buenos Ayres and estimated for the other thirteen provinces, the total population of the Argentine Republic is at the present time not quite 3,000,000 people, as follows:

Buenos Ayres, including the city	907,000
Cordoba	320,000
Corrientes	204,000
Entre Rios	188,000
Santa Fé	187,000
Tucuman	178,000
Salta	167,000
Santiago del Estero	158,000
Catamarca	102,000
Mendoza	99,000
San Juan	91,000
Rioja	87,000
San Luis	76,000
Jujuy	66,000
National territories	112,000
Total	2,942,000

So that, assuming the population to be 3,000,000, the average value of the property of each individual would be about \$400. The actual fact, however, is quite different. The wealth of the nation is in the hands of a very few persons, while the great majority of the people are in comparative poverty. Taking out of the count the large capitalists whose money is invested in commerce, banks, and manufacturing industries, and the great landed proprietors, whose *estancias* in many instances exceed in square leagues the principalities and dukedoms of Europe, and whose flocks and herds reach to hundreds of thousands, and the remaining population are mostly in almost indigent circumstances. Indeed, among the native or *gaucho* element of the pampas poverty and unthrift are the rule, and they are well content to live from hand to mouth in an adobe hut and be the possessors of the horse they ride and of the *recado* which they use for a saddle during the day and sleep on at night. The mildness of the climate not only makes such a life as this possible, but assists to produce the enervation and reluctance to manual labor which exist so generally among the uneducated denizens of the Argentine plains. To some extent, however, this is now being changed by the advent of the European element in the population, which is not only filling up all the industrial vacuums in the cities, but extending out and occupying the waste places in the interior, the agricultural development of the country, which now seems to have commenced in earnest, being almost exclusively in the hands of Italians and of French and Spanish Basques, who are thrifty and industrious and speedily accumulate a competence from the soil they cultivate, albeit they are not the owners but only the renters of it.

TAXATION.

In regard to the taxation which the people pay, I am not now in possession of sufficient data to give the exact amount. It is a fact, however, that almost everything produced in the country is subject to taxation of some kind, and the same is true not only as regards the consumers but the producers. There is a tax on imports and a tax on ex-

ports. There is a tax on lands and a tax on personal property. There is a tax when you buy and a tax when you sell. There is a license tax on all professions and employments. Even day laborers have in some cases to take out a license. Not only is every sheet of paper used in the courts subject to a stamp tax, but every communication made to any department of the Government must be on stamped paper. The sheep and the bullocks which go to the slaughter-houses to supply food for the people must pay a tax for the privilege of being killed; and every man who keeps a carriage or a cart must pay from \$10 to \$40, according to its value, for the distinction. In many cases the same thing pays taxes three times—for municipal, for provincial, and for national purposes. I suppose that all this is necessary in order to raise revenue sufficient to meet the expenditures, but the universality of taxation creates unfavorable comment. As the population and resources of the country increase it is to be presumed that the needful revenues will be readily obtained from fewer sources, and that at least the labor of the country will be free.

REVENUES AND EXPENDITURES.

As a matter which may be of some interest in this connection, I give the following table, taken from official sources,* of the appropriations which have been made to meet the expenditures of the current year, whether of a national, provincial, or municipal character, and also of the estimates of the receipts anticipated or derived from duties and taxation:

Government.	Appropriations.	Estimated receipts.	Appropriations for municipal purposes.	Estimated receipts for municipal purposes.
The National Government.....	\$31, 224, 748	\$29, 576, 000		
City of Buenos Ayres, the capital.....			\$2, 201, 395	\$2, 305, 437
Provinces:				
Buenos Ayres	6, 860, 444	6, 618, 267	883, 818	1, 224, 130
Entre Rios.....	1, 027, 862	1, 027, 862	188, 389	188, 389
Santa Fé.....	709, 731	790, 500	260, 000	260, 000
Corrientes	678, 621	725, 192	78, 473	78, 520
Cordoba	653, 486	653, 486	155, 000	155, 000
Tucuman	258, 192	236, 024	174, 269	156, 344
San Luis	189, 580	189, 580	17, 208	17, 028
San Juan	173, 124	146, 138	40, 000	40, 000
Mendoza	166, 498	147, 827	38, 992	22, 834
Salta	157, 392	154, 800	46, 539	46, 539
Santiago	143, 558	109, 600		
Rioja	128, 924	92, 700	12, 000	12, 000
Catamarca	94, 510	82, 088	11, 688	10, 818
Jujuy	59, 299	15, 984	5, 760	5, 760
Total	42, 544, 969	40, 609, 148	4, 106, 581	4, 517, 968

Adding these budgets together it will appear that the people of the Argentine Republic support a total burden of \$46,651,501, while the estimated amount of resources amount to \$45,127,136, which is a per capita tax of about \$15 contributed by each inhabitant to the support of the Government and the payment of public expenses. It will be observed that in some of the interior provinces there appear considerable differences between appropriations and revenue; in such cases it is usual for the National Congress to advance the amounts needed to

* *Memoria del Ministerio del Interior*, 1883, page 3.

keep the machinery of the provincial governments in operation, the latter giving their bonds for the credit thus furnished to them.

CONCLUSION.

I fear I have^{*} extended this report beyond the patience of the Department; but so many topics more or less germane to the subject suggested themselves in its preparation that I was reluctant to omit them. In now drawing it to a close, it is perhaps hardly necessary to reiterate that the two great wants of the Argentine Republic are population and capital. The development of its immense resources cannot be accomplished until its vast interior, which at present only averages about one inhabitant to the square mile, shall be occupied by laboring millions, who have the skill and can command the capital to work in their appropriate industries. The first of these requisites is being supplied from the overcrowded countries of Europe—especially those bordering on the Mediterranean. The stream of immigration, it is true, is yet comparatively small—only about 50,000 a year—but it is constantly swelling, as the marvelous opportunities for skilled labor which are offered by the country become better known, and it is destined yet to assume something of the proportions which it has reached in the United States.

As for capital, it is ever on the alert for profitable investment, and it has already seen the way to fortunate ventures in this country. Over and above the loans contracted by the General Government, the capital already invested in railways—and which are every year penetrating farther and farther into the interior—or employed in the establishment of banking institutions, in the construction of ports, wharves, and moles, in dredging and deepening channels, in water-works and gas companies, in city tramways, in machine-shops and car-works, in sugar industries and mining operations, in mercantile, commercial, and industrial pursuits, and in many other important enterprises which are now beginning to find a firm and profitable foothold in this country, has mostly been brought from abroad, the credits thus effected all commanding high and remunerative rates of interest or of discount as a consequence of the situation. But so far from suffering from such high rates, the general prosperity has been benefited thereby, the increased profits on the investments and the enhanced prices of labor thus secured all conducing to the general development. Other millions are now looking across the waters and awaiting proposals. The Argentine Republic, though rich in resources and abounding in credit, is deficient in capital. The cause of its poverty is its political past, its long war for independence, and the civil wars which so cruelly followed. But the scars are gradually disappearing, and the troubles which produced them are now well-nigh forgotten. The present contests among the people are only those which concern the progress and welfare of the nation, and there is not only a general sentiment among them that the Argentine Republic is destined to a prosperous future, but there exists a personal emulation by virtue of which every man of position feels that he is individually expected to assist in the development. Under these circumstances, capital, which reacts upon credit, has no hesitation in lending its vast influence to aid "the good time coming"—a selfish influence, of course, for money is always selfish in its investments, but yet liberal in its distribution and bountiful in its results, carrying national prosperity and individual thrift and comfort to every nook and corner of the Republic. "Such," in the language of President Roca's last message to the National Congress, "are the wonders which credit is doing for the Argentine Republic; it is the

lever of Archimedes, wherewith the economical revolution of the nation is to be accomplished."

E. L. BAKER.

UNITED STATES CONSULATE,
Buenos Ayres, October 31, 1883.

NATIONAL MORTGAGE BANK.

[Inclosure in Consul Baker's report.]

PROJECT OF LAW NOW PENDING BEFORE THE ARGENTINE CONGRESS FOR THE INCORPORATION OF A NATIONAL MORTGAGE BANK.

The Senate and Chamber of Deputies, &c.:

ARTICLE 1. The Institution of National Mortgage Credit, which shall be affiliated to the National Bank, managed by a board of six directors named by the Executive with the consent of the Senate, and presided over by the president of the National Bank, is hereby created.

ART. 2. Each province shall have a branch of the National Mortgage Credit Office annexed to the branch of the National Bank and under the orders of the head board as constituted by article 1.

ART. 3. The National Mortgage Credit Office shall emit cedulas to bearer, with 6 per cent. interest and 1 per cent. amortization yearly, payable quarterly in advance, on real estate yielding a monthly or annual rent, in the capital or the provinces, its salable value to be determined by experts and to be at the least double the amount of the loan asked for.

ART. 4. The national treasury guarantees to the holders of cedulas emitted in conformity with the foregoing article the interest and amortization on same, in case the Mortgage Credit Office cannot or does not pay same regularly, and, in such case, the treasury shall assume all the right and title of that office to the property mortgaged by its debtors and to proceed against them.

ART. 5. The Mortgage Credit Office shall amortize quarterly in cedulas a sum equivalent to the amortization paid in by its debtors, calling on sellers of cedulas to tender same; but when the price of these, at home or abroad, be at or over par, the Mortgage Credit Office shall have the right to draw lots for, and pay at par the cedulas to be amortized and which shall carry no interest from the day named for payment.

ART. 6. The Mortgage Office shall not have power to retain the interest or amortization on cedulas emitted to bearer, which must be paid to whoever presents the coupons, no judicial embargo on same being valid, except it come from a criminal or correctional court for a crime duly proved before it.

ART. 7. Those who obtain an advance of cedulas on their property shall pay, until the extinction of the debt, 6 per cent. interest, 1 per cent. amortization and 1 per cent. commission annually on the original amount of the loan, in quarterly installments of 2 per cent.

ART. 8. Should the debtor allow ten days to elapse after the expiration of one quarter without paying up, he shall pay 1 per cent. interest till he does pay; but should he run two quarters in arrear, Mortgage Credit Office shall take possession of his property, receive its rents (fixing the amount of same, if the owner has not already collected them), and then sell the property by auction, at the head office or local branch, without any further formality than a notice for 15 days in three newspapers, wherever there are so many, in one where there is not a second, and by handbills where there is no newspaper. A functionary of the bank or its branches shall act as auctioneer without any further charge to either debtor or buyer than the charge for the advertisement, the amount overdue, and interest on same.

ART. 9. The sale by auction of a debtor's property cannot be interfered with by either the national or provincial courts, except in case of a claim of ownership; nor can said courts grant the debtor an extension of time, nor prevent the Mortgage Office receiving the amount due to it at the moment.

ART. 10. When a property in arrear is sold, if there be any balance over what the debtor owes, it shall be handed to him, first deducting the interest and expenses. Should the price obtained for the property be insufficient to cover the loan, interest, commission and expenses, the Mortgage Credit Office can attach any other real estate of the debtor that is free from lien, or any part of it that may be free from same, or, in default of his having such estate, or that its value is insufficient to meet the debt, pro-

ceedings can be taken against the debtor personally for the deficit, the courts being bound to accept and act on the claim presented by the Mortgage Credit Office when signed by the president of the National Bank, or the managers of the branches, countersigned by the respective secretaries and bearing the seal of the Mortgage Credit Office.

ART. 11. A debtor can redeem all or part of his debt, either in money or in cedulas. In the first case, the Mortgage Office shall buy cedulas and amortize them as provided in article 4; in the second, the cedulas delivered shall be canceled. In both cases the quarterly payment in advance becoming due shall be retained by the Mortgage Office.

ART. 12. Properties mortgaged under this act can be transferred to a new owner by previously advising the board or the managers of the branches where the property is situated, but the new owner must assume all the responsibilities of the previous owner.

ART. 13. The buyer of a property sold by the Mortgage Office can avail of the loan on it, if the amount due be less than the price obtained for it; in the contrary case, the Mortgage Office shall fix the sum to be paid to reduce the loan to the terms provided in article 3.

ART. 14. Any contract or receipt for rent in advance that may exceed two months' rent of any property mortgaged to the Mortgage Office shall be considered null and void.

ART. 15. Contracts of mortgages under this act shall be exempt from the ten years' limitation on mortgages established in article 90, Cap. VII, Lit. XIV, Lib. III, Sec. H of the Civil Code, and shall be subject to all the legal effects of mortgage until the loan is fully paid, as also the interest on amounts overdue, and all expenses caused by the delay in payment.

ART. 16. Those who ask for a loan from the Mortgage Office shall be put to no further expense in acquiring it than 5 or 10 national dollars for the examination of the titles by a lawyer and the certificate of the registrar-general of mortgages and embargoes. The contract between the borrower and the Mortgage Office shall be drawn up and signed in a special register to be kept by the president of the board in the capital and the managers at the branches, in the same form as the judicial records of the public notaries, to be signed by the respective secretaries and sealed with the seal of the Mortgage Office. A duplicate copy of the register shall also be signed, sealed and delivered, and this shall be as valid before any national or provincial law court, for all legal purposes, as a written deed, although the court may order it to be compared with the register by the actuary. This duplicate and the original contract shall be drawn up on unstamped paper and be free of all charge to the applicant for the loan.

ART. 17. The 1 per cent. annual commission, the interest on overdue installments, and the quarter in advance which the bank retains in case of the part or full payment of the loan shall form the reserve fund of the Mortgage Office, first deducting the expenses and salaries of the extra clerks which the bank will have to employ in the capital for the Mortgage Office. After the first five years, only one-fourth of these receipts shall be added to the reserve, and the other three-fourths shall be divided between the National Bank and the national treasury.

ART. 18. The Executive shall draw up the regulations in connection with this act, as also the statutes of the Mortgage Office, and arrange with the National Bank directors for affiliating it with their administration; and it shall also determine the cost of administration in accord with the board, and report everything to Congress in the first fortnight of next session.

ART. 19. Only the national courts in the capital and the sectional in the provinces shall have jurisdiction in cases of mortgages effected under this act.

ART. 20. The Executive is authorized to lend the Mortgage Credit Office 400,000 national dollars for installation expenses and the advances of the first quarters on the cedulas issued, and this sum must be returned within two years, and charged to the cost of this act.

PERU.

IQUIQUE.

REPORT BY CONSUL MERRIAM.

In accordance with instructions contained in circular of May 15, which was received at this consulate on August 26, I have the honor to state that the system of credits prevailing in this consular district should be considered under two heads: first, those extended to tradesmen, and

second; those extended to manufacturers of nitrate of soda. We may say, at the outset, that tradesmen give no credit, their business being conducted on a cash basis, for no credit is given for a period extending beyond thirty days. If, in some exceptional cases, credit is given by tradesmen, the buyer is charged 1 per cent. a month until the cancellation of his account.

Merchants in the dry-goods and hardware lines buy principally in Valparaiso on three or six months' credit.

Direct importations from the United States are, however, on the increase; merchants importing from the United States to accompany their orders with good bills or to pay for their goods on the arrival of the bills of lading.

The principal business of this province is the manufacture of the nitrate of soda. The average amount produced by one of these establishments may be placed at 1,000 Spanish quintals per day, which represents a value of \$48,000 or \$50,000 United States gold per month.

There are no sumptuary laws concerning credits. Failures are very rare. They of course sometimes occur, and, if the result of misfortune and not of fraud, there are no obstacles to resumption.

As to the ease with which fortunes are made it may be stated that cases are not rare where fortunes ranging from \$200,000 to \$500,000 have been made in two or three years in the manufacture of nitrate of soda. At present, however, a high tariff of duties and a low price of nitrate combine to operate against the manufacture, so that examples of this good fortune are quite exceptional.

J. W. MERRIAM,
Consul.

UNITED STATES CONSULATE,
Iquique, September 8, 1883.

WEST INDIES.

BERMUDA.

REPORT BY CONSUL ALLEN.

In reply to inquiries made in circular dated May 15, 1883, I have to say that after careful investigation of the subject I am enabled to report as follows, viz:

Credit does stimulate trade largely by increasing the ability to purchase. As a rule, the people of this colony are not averse to contracting debts. There are no sumptuary laws or regulations concerning credit, except such as protect persons under twenty-one years of age.

Fully four-fifths of all foreign products for domestic use are sold on credit. All time sales become due on the 30th June, when there is no agreement to the contrary.

In seasons when the island produce finds a poor market and a low price, the losses or delay in payments are large, averaging nearly one-half of the whole amount credited. With a good crop and good market the losses are small.

Tradesmen are very liberal in giving credit to mechanics and laborers, and particularly to planters, who, having rented land with no means, or very little, of their own, depend on the sale of their produce to pay their indebtedness.

No difference is made in price between cash and time sales. A few

of the dry-goods dealers make a discount of 5 per cent. on cash purchases amounting to one pound sterling, or more.

No interest is charged on the first year's credit. The evils of credit are most conspicuous with laborers and mechanics, causing them to abandon their occupations or trades to hire land and work it on credit, hoping to realize a large price for their crops, but they often find themselves hopelessly in debt at the end of the season. The growing of Bermuda produce is something like a lottery business. If market and crops are good a very large profit is realized, but the expenses of shipping are so heavy that when the market is low there is nothing left for the producer.

All products of the farm and the fisheries, and fresh meat, are sold for cash.

Credits of record are prevalent among planters and storekeepers.

A man does not "fail" in Bermuda. He does not pay—that is all. There is no limitation—once in debt, always in debt.

A bankrupt law was passed a few years ago, but as no fees were allowed to the lawyers, it is inoperative, and there is no relief for a debtor but to pay, work by the day, or run away, which many do.

Wealth is not easily accumulated in Bermuda, and fortunes are rarely made. In an old colony, dating from A. D. 1582, with an area of only 10,800 acres and a population of 14,000, with a limited trade, there is but a small field for speculative enterprise.

A large share of the planters in this colony have but little means, and seek credit to enable them to grow their crops, and the result is the traders are compelled to purchase whatever they have to sell, or wait for their pay, with no certainty that they will get anything; consequently the planter has but little incentive to have his produce put up in nice order for market, as it is so much per box or barrel, with but little regard to quality. This season has been a poor one for the planters, on account of the low prices obtained for their products, and from 30 to 50 per cent. of the amount of credit for the past year will remain unpaid; and it is the opinion of those best able to judge that the credit system in this colony is a bad one, causing irresponsible persons who have nothing to risk to rent lands or to plant on shares, with the hope of making more than the day wages, and also causing the necessities of life to be sold at a large percentage above cost, making the cash buyer pay for those who cannot or will not pay. One of the largest importing firms here say they will not import any goods this season, although their store is empty, as they are determined to stop, as far as lies in their power, this system of long credits. The same feeling seems to exist among all the merchants, and if fully put into practice will compel many to seek work by the day or month, or leave the colony.

CHAS. M. ALLEN,

Consul.

UNITED STATES CONSULATE,
Bermuda, July 10, 1883.

CUBA.

REPORT BY CONSUL VICKERS, OF MATANZAS.

I have the honor to acknowledge receipt of circular of the Department of May 15, 1883, instructing me to submit a report on the "systems of credits which prevail in, and their relation to and effect on the general prosperity" of this consular district. I have read with care the in-

terrogatories propounded, and in my reply will consider each separately. In preparing my answer I have consulted persons of experience in the city and district, whose intimate knowledge of the modes of business in force enables me, I think, to present an accurate statement of the existing condition of things.

I will premise by saying that not only this district but the whole island of Cuba is passing through a critical period of transition from slave to free labor. This, coupled with the exhaustion consequent on a war of eight years, and with an extraordinary budget weighing on an impoverished population, renders the condition of the island abnormal and peculiarly unfortunate. It would seem almost impossible to expect any relief or even a favorable turn in affairs. For several years past the island has been afflicted with a succession of bad crops, reducing the production of sugar from 738,000 to some 440,000 tons.

The atmospheric elements of the climate in their relation to agriculture seem to be changing, slowly perhaps, but surely. The system of cultivation in force, which was the outcome of a period of apparent but really fictitious prosperity, when labor was cheap and losses could readily be repaired, is not suitable for the changed condition of things, and yet planters of the generation now passing away find it difficult to recognize the necessity of adopting new ideas and new customs more in accord with the progressive ideas of the last few decades.

The old routine system continues; labor-saving machines come in very slowly, and are adopted with repugnance and doubt. A better and more thorough organization of labor is not practically attempted, though the papers often teem with dreary platitudes as to the best means of inducing immigration, or of directing in the most profitable manner the scant labor that remains to us.

Brigandage is beginning to appear, and must increase as poverty spreads among the proletarian class.

I will pass now to a consideration of the various interrogatories.

1. Does credit stimulate trade?

Yes, it does, but it is an unhealthy trade. The bulk, I might almost say the whole, of the trade of Cuba is based on credits.

The exporter of sugars and molasses, whose business reaches a volume during the year of many millions of dollars, may have a capital of from \$25,000 to \$50,000, but he relies on credits generously granted him by bankers of the United States and Europe.

The wholesale provision dealer purchases his supplies at three, four, six, and sometimes eight months' time. He in turn sells to the planter on credit, formerly on twelve months' time, but now rarely more than one to three months are granted. The planter, it is true, sells his produce for cash, but as his crop is mortgaged, practically the proceeds pass into the hands of the factors immediately. If credits were all withdrawn it would be impossible to carry on any trade in the island. The only trade based wholly on cash is the retail grocery trade.

2. Are people averse to contracting debts?

As a general thing they are not, but at the same time the increased prudence observed by wholesale dealers in the system of granting credits has the corresponding effect of compelling the consumer to limit his purchases. The result will be beneficial, but time must pass before the change can permeate the whole body of society.

3. Are there any sumptuary laws or regulations concerning credits?

I am not aware that any exist.

4. To what extent does credit prevail in proportion to the volume of business?

I have answered this quite fully in my reply to the first interrogatory, and can only repeat that practically speaking the basis on which all trade rests is the credit system. It is a long chain which extends from the producer abroad or at home through numberless middlemen, link by link, to the consumer, who is perhaps the only one who can or is expected to pay cash for what he buys, and even in his case it is usual only when he is a retail purchaser.

5. To what extent do losses incidental to business prevail?

They are frequent and often serious. They could not be otherwise, owing to the nature of things. The island is essentially agricultural, there being very few manufacturing industries. The general welfare of all classes depends on the crops, and if these fail it is rarely that a purchaser can meet the future liabilities which the vicious credit system enables him to contract. Large losses also occur in the export trade in consequence of the speculation which is fostered by the system of easily obtaining credits.

6. Do tradesmen extend credit to mechanics and laborers readily?

No; they do not. The custom is to collect bills weekly, and if a laborer enjoys a high reputation, he may have his bills liquidated monthly; but this is a rarely occurring thing. It is more usual to expect and exact payment in cash.

7. What advantage have cash buyers?

They have some advantage in prices, which is usually equal to the interest for the time a credit is granted. My experience shows me, however, that this advantage is often illusory.

8. Is interest demanded on time accounts?

No; not usually. The system employed with planters up to the present year has been as follows: Liquidations are usually made on May 1. The account will embrace purchases made during the previous twelve months.

Although cash payment on May 1 is desired and asked for, it is rarely made. Instead of this, the planter gives the dealer one or more notes, payable in February, March, or April following, with interest (usually 12 per cent.) added.

9th. With what class are the evils of credit "most conspicuous"?

With planters, for reasons already stated.

10. What kind of produce or manufactured articles command cash returns.

Sugar, molasses, tobacco, and produce generally. Exporters pay for these articles as soon as a trade is closed, but as the planter has usually compromised his crops to cover credits given him, he rarely sees any part of the money. In few words, the planter generally pays the expenses of one crop by mortgaging the prospective subsequent one.

11. Are credits of record prevalent; and, if so, among what classes?

They are. Mortgages are prevalent, and especially among planters. To obtain a credit for the factor, or to raise money in any way, a mortgage on property is asked for, and as the planter is practically in the hands of his factor, he is compelled to yield to any demands he may make. The foreclosures of mortgages are not so numerous. What the factor wishes principally is to be secured against a third party, and as long as the planter can struggle on, hoping against hope, the factor is satisfied with the enormous interest, and charges for commissions, &c., which he exacts. I have known annual interest charged as high as 18, and in one case 30, per cent.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

When a merchant is unable to meet his liabilities he suspends payment, calls a meeting of his creditors, lays before them a statement of his situation, and makes such proposals as he may deem fit. If they accede, the whole matter is reduced to writing by a notary public and legality is given by the sanction of the judge. He may then continue business under his own name. If, however, the creditors or any of them refuse, it is his duty to advise the judge of his inability to meet his liabilities and request that legal steps be taken. The judge then, on a statement of the assets and debts, appoints a depositary, who assumes charge of the books and property of the merchant, and a syndic chosen from among the creditors. The law requires that the bankrupt go to jail or obtain bail or guarantee that he will not leave the island. His correspondence is intercepted and sent to the judge, who, after examination, remits it to the merchant. A meeting of creditors is then called and proposals of arrangement are submitted, discussed, and accepted or rejected. If accepted, the bankrupt is rehabilitated. If rejected, the judge proceeds to determine the character of the failure, whether fortuitous or fraudulent, property is embargoed and sold, and the merchant's career is practically ended. If the failure is fraudulent he is liable to severe punishment. From the above it will be seen that in order to resume under his own name an arrangement with his creditors must be consummated. A bankruptcy law such as exists in the United States is not known here.

13. Is bankruptcy frequent?

Failures are becoming very frequent, for reasons already given.

14. To what extent do relief acts in bankruptcy prevail?

There are no relief acts. The proceedings are confined to those indicated in my reply to interrogatory No. 12. I think it proper to say, however, that it is very rare that a bankrupt suffers in any way, except by inhibition.

15. Are fortunes readily made and lost?

They are readily and easily lost, but it is difficult at this time to make one. The balance-sheets of wholesale merchants and dealers will usually show a large surplus in their favor, but it is rare that they are not hampered because of the credits granted planters.

16. What are the general effects of credit?

The effects here, coupled with the untoward seasons experienced for the past few years, can only be characterized as ruinous.

In concluding, I deem it proper to say that my remarks, though referring principally to the credit system in force within the island, are equally applicable to the granting of credits by foreign manufacturers to importers in Cuba, and I suspect that to this system or mode of credit the Scranton Board of Trade principally referred. If the American manufacturer gave credits he would really be in a worse condition than the merchant or dealer here, because he could not throw around himself the safeguards, in the way of mortgages, &c., that the resident creditor could do. The chief reliance of the foreign creditor would be on the honesty of the debtor, and, though I am far from impugning the honor of the Cuban importer, the circumstances of the island may be such as to prevent his meeting his acceptances.

DAVID VICKERS,

Consul.

UNITED STATES CONSULATE,
Matanzas, July 3, 1883.

CARDENAS.

REPORT BY CONSUL NUNEZ.

Replying to circular of the Department of State of May 15, 1883, and to the interrogatories propounded by the Board of Trade of Scranton, I shall take their interrogatories *seriatim*, and respond to them briefly, as they relate to the consular district I have the honor to represent.

1. Does credit stimulate trade?

Unquestionably it does. Much might be written about the advantages and evils of a credit system, but to balance the pros and cons of the subject would only be to repeat the different theories long since promulgated by opposing schools of political economy.

2. Are people averse to contracting debts?

Not in Cardenas or its vicinity.

3. Are there any sumptuary laws or regulations concerning credits? There are not.

4. To what extent does credit prevail in proportion to the volume of business?

The question is not susceptible of an accurate response. The credit system prevails, however, to a very large extent.

5. To what extent do losses incidental to business prevail?

Not less than 30 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

They do not.

7. What advantages have cash buyers?

Staples—(sugar, molasses, and tobacco) are always cash articles. In other articles cash buyers have an average advantage of 10 per cent.

8. Is interest demanded on time accounts?

No; but it is calculated and collected in the price of the article sold.

9. With what classes are the evils of credit most conspicuous?

With the poorer classes.

10. What kind of produce or manufactured articles command cash returns?

Staples, sugars, molasses, and tobacco.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits of record are prevalent, and amongst the more prosperous classes, as merchants and planters.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

When a person has once failed in business he cannot carry on responsible business in his own name without a release from, or compromise with, his creditors.

13. Is bankruptcy frequent?

It is not; but this year, owing to a failure in crops, it has been frequent.

14. To what extent do relief acts in bankruptcy prevail?

They do not prevail to any extent, as nothing but a release from, or compromise with, his creditors gives relief to the debtor.

15. Are fortunes readily made and lost?

They are. A rise or fall of a few cents on a cargo of sugar or molasses makes or ruins the shipper.

16. What are the general effects of credit?

The general effects of credit are stimulating to business, and the feat

is so generally recognized, not only here but all over the civilized world, as to share proverbial distinction with competition, some claiming that competition is the life of trade, and others that credit is the life of trade; but there is a general unison of sentiment on the subject, which logically leads to the conclusion that trade has two lives—credit and competition.

JOSEPH A. NUNEZ,
Commercial Agent.

UNITED STATES CONSULATE,
Cardenas, June 16, 1883.

CIENFUEGOS.

REPORT BY CONSUL PIERCE.

I have the honor to acknowledge the receipt of your circular calling for a report on the credit system of this consular district, and to submit the following:

This consular district, in proportion to the volume of its wealth, is not in a progressive state. It is free alike from American shove and energy and American speculation and stockjobbery, and there is little disposition on the part of Cubans, at least, to add to their accumulations at the expense of temporary pleasure, in consequence of which fortunes are not readily made, though they are easily lost.

The laws in Cuba affecting credits are in some respects quite different to what they are in the United States. They are, as a rule, less favorable to the debtor class. There is no usury law or homestead law, but laws granting stoppage *in transitu*, garnishment, and liens are in full force. Dower does not exist, but a wife may hold property separate from her husband, and her separate property is not answerable for his debts.

Bankruptcy, both voluntary and involuntary, exists here; but the bankrupt, though having surrendered his property, is not exempt from further liability to his creditors for the excess of their claims over his assets. It is with great reluctance, however, that people resort to the court of bankruptcy, on account, as I am told, of the heavy expenses attending it. Litigation, in general, is much more expensive and uncertain than in the United States. When a man fails or is discredited he usually submits terms of settlement to his creditors, and if these terms be accepted, they are reduced to writing before a notary public and are binding on all concerned. One single creditor, however, may refuse to accept the terms of the insolvent and throw him into bankruptcy. Small creditors, under threat of throwing the insolvent into bankruptcy, frequently extort payment of their claims in full from the larger creditors, who have greater reason to avoid the expenses of the bankrupt court.

I beg to say that if there is any difference, the people here are less averse to contracting debts than in the United States, although, as stated, the laws bear more strongly against debtors than they do there. The difficulty of obtaining credit in large amounts may possibly increase the desire to obtain it. It is usually given to planters through local merchants, under stipulation that the crop shall be shipped to market through the merchant, and in amount it is rarely, if ever, given in excess of \$40 per hogshead on the sugar expected from the incoming

crop of the particular estate. Loans of money usually command an annual interest of 12 and sometimes even a higher per cent. on apparently good paper. Mortgages are not unfrequent, and are more prevalent among planters. The legal rate of interest, in the absence of a special agreement, is 8 per cent. Interest is invariably required on accounts after they become due, and credits for sugar-estate supplies are received in installments, according to the needs of the estate, and paid for upon the completion of the crop, usually in May. Cash buyers have an advantage of from 12 to 15 per cent.

Mechanics and laborers, so far as I can judge, who depend only upon their word for credit, get about as much credit here as they do in the United States. They receive higher wages, but are not so frugal and not as constantly employed, nor do they accumulate as much property here as there. Savings banks are unknown, and the Havana lottery is a constant drain upon their earnings.

Wholesale dealers appear to be more prosperous than retail dealers; at least, insolvency is declared frequently with the latter, though not with the former. The export trade is transacted on a cash basis, while imports are generally obtained on short credit. Retail dealers both buy and sell on short credit. They usually obtain, however, longer credit than they give; and, as a rule, retail dealers operate the greater part of their business upon credit from wholesale houses.

Agriculture is the only industry of any consequence in the district, and the trade of the district is dependent upon it. For the last ten or fifteen years the agricultural interest has been stimulated by the credit system, receiving more credit and being less prosperous than any other interest, and it is now kept in operation by the credit system. Within this period almost every sugar estate within the jurisdiction of Cienfuegos has either changed ownership by reason of debt or is now incumbered with debts to an amount approximating the value of the estate. There are about one hundred estates in the Cienfuegos jurisdiction now in operation, and their average value, including houses and machinery, may be estimated at, say, \$150,000. Of course, no uniform explanation could be given as to how these enormous incumbrances were brought about. Probably in every case they were originally much smaller, but were annually enlarged to make up the deficits of the crops in defraying expenses, increased by the heavy interest-bearing incumbrances themselves; and they were in the large majority of cases originally contracted to repair estates that had been damaged by the late rebellion and to meet the extra expenses (such as maintaining guards on the estates) incidental to sugar-planting during the rebellion.

The heavy interest that planters have had to pay has of course been a great disadvantage to them, but I am not prepared to say that this alone would have prevented them from keeping up a sinking fund and ultimately canceling the incumbrances on their estates, had other things been as favorable to them as might have reasonably been anticipated. Nor can I assume that the prosperity of the district prior to the rebellion can be attributed to any considerable extent to either the cash or the credit system. Other causes operated in favor of prosperity before the rebellion, and other causes have operated in favor of insolvency during and since the rebellion.

The failure to effect the cancellation of these incumbrances may, also, to a slight extent, be accounted for by looseness in the details of business and by a want of personal frugality on the part of the planter, but not to any appreciable extent, by recklessly involving and overreaching intermediate commercial houses with schemes and speculations, nor

by turning capital into channels where it would be permanently worthless for all useful purpose. The planter saw his estate impaired by the vicissitudes incidental to the rebellion. He felt that he must obtain more capital to preserve that which he had. He felt that the interest would be enormous, but that it was the only plank on which he could hope to float through his troubles. So he supplied this capital with his credit and made it in part a fixed benefit in the way of machinery or permanent improvements. The planter, it is true, has so far failed in his calculations, and he may lose the title to his estate, but part, at least, of this borrowed capital remains upon the estate, a permanent and valuable agency for increasing the productions of the estate and augmenting the industrial wealth of the country.

Inasmuch as the confidence of credit is dependent on production and production dependent on capital, labor, and land, it is proper that I should refer to the well-marked character of these three elements in Cuba. The land is of wonderful richness, and all the elements of nature combine to make it productive; but there is not enough Cuban capital to keep the industries in successful operation, and labor is on the downward grade. If all foreign capital were withdrawn and foreign credit suspended, many cases of insolvency would be declared, and more or less stagnation of trade and industry would unquestionably follow. Several million dollars of American capital are invested in the industries in and about Cienfuegos, and probably as much more could be used to advantage, if it could be obtained on reasonable terms. This is shown by the fact that only about one-fourth of the estates within the jurisdiction possess modern machinery, although such machinery pays a very heavy percentage on its cost value by increasing the quality and quantity of the sugar. The estates of the jurisdiction may stand in greater need just now of capital than of labor; but the labor question is the great problem for the future. Labor is now passing from slavery to freedom, and the future results of the change are wrapped in fear and doubt. We cannot with full safety estimate the future of the negro population here by the commendable bearing of the negro population of our Southern States under the licenses of freedom. There, they ceased to cultivate the land at the command of the landlord, only to cultivate it at the command of their own necessities. Here, not so. The nutritious fruits and herbs which grow in abundance with little or no cultivation, the fishes of the surrounding sea and inland streams, the warm climate and ample shelter of the bark and leaf of the palm tree, all combine to relieve them from such necessities. There, too, the freedmen were constrained by their very humanity to be worthy citizens of the Republic, when the novelty of the change had passed, and they realized themselves clothed with legal and political equality, their children being educated, and the pathways to honorable distinction opened before them, their own manhood recognized, and their occupation respected. They were constrained to place confidence in the future, and to be animated to industry and laudable ambition. Here, such bids fair not to be the case. Freedom to the Cuban negro, while a step in the right direction, will hold out no such incentive to personal worth and patriotism. The freedman will remain an insignificant factor in the political world; motives to subserve the public good and the good of his progeny will not be inspired by the situation; and without such motives and without the necessity of gaining his livelihood by labor he will be apt to become a very unreliable and indifferent tiller of the soil; for opprobrious work in a burning sun is not the free choice of a black skin any more than of a white one.

In this connection it may not be amiss to invite attention to the fact that the population of Cuba for many years has, in the main, been decreasing. Twenty-five years ago it was put at 1,500,000; last year it was put at 1,344,469. During this period the losses the population has sustained from causes of an extra and unusual character have not been materially greater than the gains from causes of a similar character; besides, the African slave trade has added to the population, and pecuniary reward has carefully bred and raised negro slaves. If, then, with these advantages, Cuba has failed to propagate and retain her population, it may be reasonably apprehended that, unless some radical remedy be provided, her population will rapidly fall off in the near future, when her negro population will be free to emigrate to other countries.

These observations do not appear to me to be beyond the limit of your inquiry, for, a loss of production, caused either by inefficiency of laborers or the loss of population, must necessarily occasion a loss of credit.

WM. P. PIERCE,
Consul.

UNITED STATES CONSULATE,
Cienfuegos, August 10, 1883.

PORTO RICO.

REPORT BY CONSUL CONROY, OF SAN JUAN.

1. Credit stimulates trade in countries where the rate of interest is high.
2. In this island people are not averse to contracting debts.
3. The only law regarding credit is that of refraction accounts for sugar plantations.
4. At least 75 per cent. of the business in this province is on credit.
5. It is difficult to precise the percentage of losses, but with the imperfect laws of the country it may be estimated at least 5 per cent.
6. As a general rule, tradesmen do not extend credit to mechanics; it would be a sure loss here.
7. Cash buyers always purchase at least 5 per cent. cheaper than credit.
8. Interest is seldom collected.
9. Mostly with agriculturists.
10. All the produce of the island, viz, sugar, molasses, rum, coffee, tobacco, and cattle, is sold for cash.
11. Credit on mortgages is prevalent mostly amongst real-estate owners.
12. There are no obstacles placed on parties bankrupt, provided they have behaved honestly.
13. Failures are not frequent.
14. To a limited extent.
15. Small fortunes are readily made and kept; but, as a general rule, there is a change in fortunes of families every ten years, the fortunes in most instances being squandered away by those who do not work and earn them.

16. The effects of credit are detrimental, particularly amongst the agriculturists, since the laws for the enforcement of collections are most deficient.

EDW. CONROY,
Consul.

UNITED STATES CONSULATE,
San Juan, September 14, 1833.

GUADELOUPE.

REPORT BY CONSUL BARTLETT.

I have the honor to acknowledge receipt of circular, dated Washington, May 15, 1883, having reference to representations by the Board of Trade of Scranton, Pa., as to the value, to the financial and industrial interests of the United States of America, of reports on the systems of credit which prevail abroad.

In accordance with your request, I beg to transcribe, in order, and respond to the interrogatories appended.

1. Does credit stimulate trade?

I think it would be next to impossible to carry on business in this colony without credit.

2. Are people averse to contracting debts?

As a general rule, I should say not.

3. Are there any sumptuary laws or regulations concerning credits?

There are no sumptuary laws or regulations concerning credits. It is the custom here with all importers to sell at four months, less 2 per cent. for cash, and with second-hand dealers, to supply planters and shopkeepers on the principle of account-current, to be closed yearly at end of crops.

4. To what extent does credit prevail in proportion to the volume of business?

The proportion of credit to the volume of business may be placed at 75 per cent. By far the greater part of the supplies from France are on the credit system.

5. To what extent do losses incidental to business prevail?

According to information received from the vice-president of the chamber of commerce, the losses incidental to business amount to 10 or 15 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

Mechanics may be divided into two classes, proprietors of real estate and those who possess none. Laborers are entirely irresponsible. To the former, therefore, credit is extended with discrimination; to the latter, never.

7. What advantages have cash buyers?

Cash buyers from importers, who sell at four months, would have the advantage of 2 per cent. discount; those whose accounts would run for the year by purchasing for cash would have the benefit of about 10 per cent. discount.

8. Is interest demanded on time accounts?

Interest is not demanded on time accounts.

9. With what classes are the evils of credit most conspicuous?

Amongst the planters.

10. What kind of produce or manufactured articles command cash returns?

All the produce of the colony, consisting of sugar, molasses, rum, coffee, cocoa, and annatto, are sold for cash on delivery.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

The greater part of the plantations are mortgaged to the *Crédit Foncier* on a term of thirty years at 10 per cent. on the money loaned. The interest being paid punctually and promptly yearly, at the expiration of the thirty years the original loan is considered as liquidated, the mortgage extinguished, and the *Crédit Foncier* bound to give the borrower a clean title. If, however, during the period of thirty years, any yearly payment is not effected, the *Crédit Foncier* may sell the property for the satisfaction of its claim. If the amount of sale is superior to the claim, the balance is paid over to the mortgager. If, on the contrary, the amount of the sale is inferior to the claim, the local government must supply the deficiency; that is, the government assumes yearly the responsibility of 250,000 francs to cover the possible loss of the *Crédit Foncier*. The bank also advances money on the crops, and has a right prior to that of the *Crédit Foncier*.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

A person having failed may resume business, and be thus licensed, on condition of giving clear proof of having settled integrally with all his creditors. A receipt in full of all demands, given by the creditors, is not always and by itself sufficient to prove such liquidation.

13. Is bankruptcy frequent?

Bankruptcy is not frequent.

14. To what extent do relief acts in bankruptcy prevail?

There is no relief whatever.

15. Are fortunes readily made and lost?

Fortunes here are slowly amassed by continuous and energetic toil, and the absence of all new and riskful enterprises secures the possessors of wealth against frequent or important loss.

16. What are the general effects of credit?

The general effects of credit are disadvantageous and unfavorable, as it keeps the price of daily commodities to a very high figure, and procures failure for many who are tempted to magnify its advantages. The credit system, however, is rendered necessary in this colony by the following fact: As soon as a planter or merchant has amassed a fortune, he removes to France to enjoy it, leaving the successor to his business without money, and under the obligation to pursue it on the credit system. This fact appears to me sufficient to account for the scarcity of specie in circulation, and for the perpetuation of the disadvantages of credit.

CHARLES BARTLETT.

Consul.

UNITED STATES CONSULATE,
Guadeloupe, July 28, 1883.

HAYTI.

REPORT BY CONSUL GOUTIER, OF CAPE HAYTIEN.

1. Does credit stimulate trade?
2. Are people averse to contracting debts?
3. Are there any sumptuary laws or regulations concerning credits?

Credit is the *sine qua non* to the existence of trade. It not only stimulates trade, but without it the majority of our merchants and retailers would be obliged to discontinue business. In fact, the system of credit is so deeply rooted in this community that merchants sell to retailers principally on credit, and these in turn sell to most of their customers on similar terms, and this credit system is restricted by neither law nor regulations. It may be safely said that 75 per cent. of the total amount of merchandise disposed of is done on credit, and this large personal account, seldom, if ever, balanced by cash, remains on the debit side of the ledger, like a standing army, misleading the uninitiated to believe the business is flourishing, while the merchant knows that 25 per cent. of that large outstanding will never be collected.

4. To what extent does credit prevail in proportion to the volume of business?

Seeing the abuse of this credit system merchants have endeavored to restrict it, but without success. They must, in the first place, greatly reduce their importations, then establish retail shops, because they cannot sell by wholesale for cash.

5. To what extent do losses incidental to business prevail?

When the merchant buys produce to remit to his American or European creditor he must pay cash, and in many instances he is obliged to advance money to insure the delivery of the produce. Drafts are sometimes sold on one or two months' credit, but interest is added.

6. Do tradesmen extend credit to mechanics and laborers readily?

Tradesmen extend credit to mechanics and laborers when these are known to be honest, and will wait until the end of the week for payment.

7. What advantage have cash buyers?

Persons buying for cash can obtain a discount of from 5 to 10 per cent. As all customs are paid cash, sometimes the importers need money, and to obtain it will sell certain current articles at cost price.

8. Is interest demanded on time accounts?

No interest is demanded on time accounts.

9. With what classes are the evils of credit most conspicuous?

Merchants and retailers are the principal sufferers by the credit system, but more especially the merchants.

10. What kind of produce or manufactured articles command cash returns?

All the staple commodities command cash returns.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Mortgage on property is very seldom given as security for merchandise received.

12. When a person in business has once failed or has been discredited, can he resume, and what are the obstacles to such resumption?

The laws concerning failure in business are based upon the French code. When a merchant fails his case goes before the commercial court.

After this, if he proves that he has settled with his creditors to their satisfaction, the court will allow him to resume business. But the provisions of this law are not always carried out. Many times a bankrupt resumes business as partner in a new firm, or recommences business under another name, when not prosecuted by his creditors.

13. Is bankruptcy frequent?

14. To what extent do relief acts in bankruptcy prevail?

Most of the retailers are not in a position to pay their debts; but should they be pursued by the commercial court for the payment of a debt, time will be allowed them; for they can offer to pay 10 per cent. a month, which the creditor will readily accept. But failures are not frequent among the merchants.

15. Are fortunes readily made and lost?

About twenty-five years ago, when there did not exist much competition, fortunes were readily made, but not now. Those who have acquired fortunes are very prudent in their transactions.

16. What are the general effects of credit?

The general effects of credit have been to stimulate trade, to create competition, to restrict profits, to advance the agricultural interests of the country, and benefit the people at large.

STANISLAS GOUTIER,

Consul.

UNITED STATES CONSULATE,
Cape Haytien, June 21, 1883.

CONTINENT OF ASIA.

ASIA MINOR.

REPORT BY CONSUL STEVENS, OF SMYRNA.

Business of all kinds in Asia Minor is largely conducted on credit. The system has, however, some peculiar features which must be considered before just comparisons or correct deductions can be made. These features, it should be said, result from the nature and reputation of the Government and the mixed and diverse character of the population. Then, too, currency is limited to coin issues, the credit of the Government being such that its paper will not float; hence there is a scarcity of money to effect exchanges, and a system of credits alone supplies the deficiency. Merchants, as a rule, operate on a small capital. The rates of interest are usurious, and as a consequence importers find it advantageous to forego the discounts for cash payments allowed by foreign manufacturers and merchants. This discount seldom exceeds 5 per cent., while money on the best security commands 12 per cent. and upwards. The importers and wholesale merchants extend credits to the retailers and tradesmen, who in turn extend them to the consumers. The farmer is almost invariably a borrower, and his crops are pledged in advance to meet his obligations. The strictly cash system is indeed almost unknown, and any attempt to introduce it in the present state of the country would be futile. Manufacturers and merchants in the United States, or elsewhere, desirous of extending their operations here, should understand that they must, as a condition precedent, be content to wait for their money. In Germany, Austria, France, Russia, and other countries having close trade connections with Asia Minor, this is understood, and not only are long credits given, but they are frequently renewed rather than lose a business which though slow in meeting its engagements is in the end tolerably sure.

Taking up the queries propounded by the Scranton Board of Trade, I have for the sake of clearness and definiteness considered them in their order and with as little repetition as this plan will permit:

1. Does credit stimulate trade?

It does, and to a greater extent than in the United States or in Europe. This is owing, as already remarked, first, to the fact that ready money is scarce; and, second, to the high rate of interest. The legal rate is fixed by law at 12 per cent., but even this does not satisfy lenders. Accordingly, they evade the law, and the borrower is compelled to pay from 15 to 35 per cent. Thus the Imperial Ottoman Bank, with security in hand, or two or three good signatures, charges on loans at the rate of 12 per cent. per annum, deducted from the amount loaned, in addition to commissions, which carry up the cost to from 14 to 18 per cent. Like interest is charged on accounts-current. Private bankers are even more exacting; while the class of usurers known as "saraphs," and who are bill-brokers and coin changers combined, make loans to small traders and men in straitened circumstances, payable in one, two, or three

weeks, at the rate of 18 to 25, and sometimes even 35, per cent. per annum. One might conclude from these facts that Smyrna was a paradise for Shylocks, but so general is the credit system in trade that borrowers of cash are not numerous.

2. Are people averse to contracting debts?

It may be said that they are averse to borrowing money on the terms above described, but not to contracting debts in the ordinary course of trade. Indeed, the reverse is true in the matter of importations on credit, since the discount seldom exceeds 5 to 8 per cent., and this is charged in the retail price of the goods.

3. Are there any sumptuary laws or regulations concerning credits?

None whatever, unless the law already mentioned relating to interest can be thus designated. That law was enacted to prevent usury, but is now disregarded by the Government itself. Foreign residents, it should be said here, enjoy the right of extraterritoriality, and are therefore amenable to the jurisdiction of their respective consulates in all suits to which both parties are of foreign nationality. They are subject to the laws and regulations enforced against debtors in their several countries. The Turkish tribunals are, however, alone competent when a Turkish subject is a party in suit. The general character of Turkish tribunals is well known; it is sufficient to say here that they are inefficient, incompetent, and corrupt. In the collection of debts they are always excessively lenient toward the debtor.

4. To what extent does credit prevail in proportion to the volume of business?

In the absence of statistics, it is not possible to give an exact answer. But well-informed merchants say that three-fourths of the wholesale and four-fifths of the retail trade are conducted on credit. One Smyrna merchant, in a note to me, says: "The proportion of business done on credit is fully seven-eighths of the volume of goods sold." Another writes: "Native produce is sold on two or three weeks' credit, but foreign goods are sold on longer credits."

5. To what extent do losses incidental to business prevail?

Here, also, there is a lack of statistical information. One well-informed gentleman engaged in commercial pursuits writes: "I believe I am not beyond the mark when I put down the losses at 10 per cent. on an average of the amount of business transacted for the last ten years, but it may be that 8 per cent. would be a fairer estimate." Another gives the losses at from 5 to 10 per cent. "on articles indispensable to social life, and from 10 to 30 per cent. on luxuries." From all that I can learn, and by averaging the various opinions given by business men, I am inclined to believe that the losses average quite 10 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

The answer to this query has been anticipated. They do, even when the latter are out of work, and, as a rule, without loss. In setting their prices the former take into consideration both the length of credit and the risk.

7. What advantages have cash buyers?

Very little; not more than 3 to 5 per cent. Unless the importer is in direct communication with the manufacturers and able to get special rates, he derives small advantage in sending cash with his orders for goods either to the United States or Europe. The discount of 2 to 5 per cent. does not compensate for the length of time the goods are on the way, the loss of exchange, commissions, &c. Cash buyers at home markets for home use do not realize sufficient advantage, except when they purchase in large quantities, to make it an object. They can get more for their money in loans.

8. Is interest demanded on time accounts?

Interest at 12 per cent. per annum is collected on accounts-current. No special charge is made for interest on shopkeepers' bills, this, as we have already remarked, being included in the price of the article bought on credit. All imported goods are as a rule sold on longer or shorter credits, according to the nature of the goods, payable in three or four installments, at 7, 15, 21, or 31 days, bonds being given by the purchaser for the amount of each installment, and the interest added to the price of the goods by the seller. As it often happens, unless otherwise expressly stipulated, that payment of these bonds is delayed until all of them have become due, the importing merchant is careful to add still further to the price of the goods this excess of credit. Owing, however, to the very great competition, merchants seldom charge more than the rate of interest prevailing in Europe—say 5 to 6 per cent. for the time the bonds have to run.

9. With what classes are the evils of credit most conspicuous.

To this query it may be replied that the evils of credit, although widely diffused, bear most heavily upon the laboring or producing classes, especially the farmers, who pay high interest on short time, pledging their crops in advance, and are able to do so only by practicing the most rigid economy, in comparison with which the manner of living of even the Irish peasant may be termed prodigal.

10. What kinds of produce or manufactured articles command cash returns?

No kind of produce or manufactured articles command cash returns. The shortest credit is for two weeks, principally on agricultural products, American cotton goods, American petroleum, coffee, rice, and sugar. Occasionally advances are made upon agricultural products from one to three months prior to being harvested and marketed.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits of record prevail among all classes. Mortgages on landed property are somewhat precarious, owing to defective laws and vicious practices. Hitherto the lender on such securities had to rely almost exclusively upon the good faith of the borrower. Recently, however, the Ottoman law concerning mortgages has been changed, and now differs very little from that of France. A mortgage department has been instituted, and the records are fairly kept. But this security is not always effectual. Owing to defective title deeds and irregular delivery, it often happens that the mortgagee, when the time to foreclose arrives, is confronted by a third party, *mala fide* holder of a spurious title deed, and debarred from recovering the property. In this way the interests of foreign as well as native capitalists are impaired.

12. When a person in business has once failed or has been discredited, can he resume, and what are the obstacles to such resumption?

When a person in business has once failed he can resume after passing through the bankruptcy court, or by arrangement with his creditors. Bankrupts suffer little inconvenience and no apparent loss of credit. Indeed, they sometimes enjoy a better credit than before their failure, being more punctual in meeting their engagements, for some time at least. The Ottoman law, contrary to the laws of all Christian countries in force in consular courts, is silent upon the point of rehabilitation. Moreover, there are no chambers of commerce or boards of trade to be consulted. When, therefore, the suspended party obtains from the tribunal the homologation of his affairs he is acquitted and discharged of all his debts, and nothing stands in the way of beginning

business anew. Accordingly, nearly every man who fails in business resumes again, sooner or later.

13. Is bankruptcy frequent ?

Less so than might be imagined from the laxity of the law, the inefficiency, to use no harsher term, of the Ottoman tribunals, and the difficulties in the way of a strict enforcement by consular courts of the laws of Christian countries governing this subject. It is indeed believed to be less frequent than in the United States or the leading countries of Europe. One reason for this is the general diffusion of credits, and another the absence of the speculative spirit which leads to reckless and ruinous operations.

14. To what extent do relief acts in bankruptcy prevail ?

The Ottoman commercial code admits of no relief act in favor of the bankrupt, but it recognizes a class of privileged debts in favor of house servants and teachers, and for mortuary services, house rent, physicians' fees for the last illness of the bankrupt, &c., all of which take precedence in the settlement of bankrupt estates.

15. Are fortunes readily made and lost ?

Fortunes are not readily made and lost. The methods of business are conservative, not to say antiquated, and men in trade seldom make ventures capable of bringing in large immediate gains or of entailing correspondingly large losses. The wealth of Smyrna in private hands has been slowly accumulated, and much of it is inherited from frugal ancestors. The largest failure in thirty years was for an amount less than \$400,000.

16. What are the general effects of credit ?

The general effects of credit are variously regarded by the business men of Smyrna. That large class whose operations depend almost wholly upon credits are disposed to look upon them as a blessing. Others more sagacious and with less personal interest in keeping up the present system regard them as a hindrance and blight upon the prosperity and well being of the country. How can it be otherwise when the tillers of the soil, the bread-winners, and the wealth-producers are held fast in the clutches of usurers who exact of them from 25 to 30 per cent. interest for the wherewithal to cultivate their crops ? How can it be otherwise with a system that compels importers to ask credit of foreign dealers and manufacturers because obliged in turn to give credit to retail dealers, who, in their turn, must grant unrestricted credit to customers of little or no means ? And under the circumstance is it to be wondered at if it happens that the customers sometimes fail to pay the shopkeeper, and the shopkeeper per consequence failing to keep his engagements with the importer, the latter finds himself unable to honor the drafts of foreign dealers and manufacturers ? To this vicious system, and to the dishonest practices of some self-styled commission merchants, arising out of it, by which advances are fraudulently obtained from European and American merchants and bankers, may we not attribute the disfavor shown in the great markets of the world for Levantine business men and methods ?

The natural resources of Asia Minor are almost limitless. The climate is benign ; the face of the country diversified and picturesque ; the soil rich and easily tilled ; minerals abound. But to develop a tithe of its resources a more enlightened governmental policy must be inaugurated, the credit system modified, brigandage extirpated, usury abolished, taxation lightened and equalized, thieves in office hanged. The lower classes are capable of being improved. They are honest, as a rule, and their fanaticism is the fanaticism of ignorance ; this is especially true of the

Turkish population. In all the walks of life the Turk as a rule is honest. He seldom fails in business, although not expert in commercial transactions. He considers the payment of his debts a sacred duty. The criminal classes are largely recruited from the rajah population, and so also are the men who practice dishonest methods in business. They are usually of Greek, Armenian, or European extraction.

But it should not be understood that there are no honest men other than Turks engaged in mercantile and commercial pursuits in Smyrna and vicinity. There are many such who in ability and fairness are the peers of the most reputable of their class elsewhere. Several of them, I am proud to say, are American citizens. They are obliged to conform to the credit system, but do a safe and honest business under it.

¶ It may not be pertinent to the topic under discussion, but I cannot conclude this report without urging upon American manufacturers, bankers, and merchants the desirability of establishing in Smyrna an agency for the exhibition and sale of American goods and notions of all kinds. With the right man to manage it, much might be done to extend American trade and American credit. Next to the establishment of a line of American steamers, plying direct between New York and the ports of the Levant, nothing would do more to revive the prestige of the American name in this emporium of the East.

W. E. STEVENS,
Consul.

UNITED STATES CONSULATE,
Smyrna, August 16, 1883.

SYRIA.

REPORT BY CONSUL ROBESON, OF BEIRUT.

Referring to circular-letter dated May 15, transmitting certain number of interrogatories represented to the Department of State by the Board of Trade of Scranton, Pa., relative to credits and their effect on the general prosperity of the several countries, I have the honor to transmit you herewith my answers to the different questions contained in said interrogatories.

1. Does credit stimulate trade?

Credit does stimulate trade to a great extent. It is worth while, however, to remember that Syria is different in many respects from European countries. The credit given in view of stimulating trade is that extended by European manufacturers and merchants to merchants in Syria, who in turn grant credit to the people in the country. The merchants of Beirut give credit to the people of the Lebanon district to a very considerable extent. The country of the Lebanon being under different administration from that of the rest of Syria, credit, for several years, is considered safer there. The banks at Beirut grant credit to import and export merchants of good standing at the rate of from 8 to 10 per cent. per annum.

2. Are people averse to contracting debts?

All persons engaged in commerce are more or less obliged to apply for credit. The people would not be averse to obtaining credit at the rate of 6 per cent. per annum, but the high rate of interest charged keeps many from contracting debts by buying goods or otherwise on trust.

3. Are there any sumptuary laws or regulations concerning credits?

No law exists as to regulating credit, but there is a law in force relating to loans on interest at the rate of 12 per cent. per annum.

4. To what extent does credit prevail in proportion to the volume of business?

The importance of advances when made by the European manufacturers themselves is in proportion to the credit that the buying house deserves, and credit is generally regulated at the rate of from 7 to 8 per cent. As for credits on consignment of merchandise, such as cottons, wool, nutgalls, wheat, maize, &c., these are regulated with money advanced amounting to two-thirds or three-fourths of the value of the merchandise—sometimes to four-fifths, and even to the total when the house that borrows enjoys a perfectly good reputation.

5. To what extent do losses incidental to business prevail?

As there are no statistics kept in this country regarding failures, it is difficult to say to what extent losses prevail owing to failures. Failures, however, are not very frequent, owing to the patience of the creditors and the difficulty in getting judgment and forcing collection.

6. Do tradesmen extend credit to mechanics and laborers readily?

Tradesmen do not extend credit to mechanics and laborers here.

7. What advantage have cash buyers?

Cash buyers have generally the advantage of 1 per cent. a month.

8. Is interest demanded on time accounts?

Interest is due at the maturity of the term, and is very seldom paid in advance or quarterly.

9. With what classes are the evils of credit most conspicuous?

The evils of credit are most conspicuous with agriculturists and stock raisers, who in bad years become unable to pay interest on the amount borrowed, but they are seldom made bankrupts, as nothing could be gained by such a step. The rate of interest charged to farmers and stock-raisers is from 18 to 30 per cent. per annum.

10. What kind of produce or manufactured articles command cash returns?

Most of the manufactured articles and agricultural produce of the country command cash returns.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits on mortgage are granted on real and personal property; but this kind of business is not, however, much recommended, owing to the difficulties that are experienced in the execution of the decisions when obtained.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

A bankrupt can only legally resume by satisfying his creditors and receiving permission from the ministry of commerce.

13. Is bankruptcy frequent?

Bankruptcy is not frequent excepting in bad agricultural seasons or crises caused by political troubles or contagious plagues.

14. To what extent do relief acts in bankruptcy prevail?

In case of failure, justice proceeds more or less regularly according to the prescriptions of the Ottoman code. Nevertheless, judicial action is avoided as much as possible, because by its procrastination and the want of integrity it injures the assets of the bankrupt to the detriment of the creditors. A compromise, therefore, is the surest and most advantageous way and the one usually adopted for settlement.

15. Are fortunes readily made and lost?

Fortunes, as a rule, are not readily made, as speculation in the country is not carried on to any great extent. It is not uncommon, however, to see considerable money made in business transactions, and fortunes lost when a crisis takes place.

16. What are the general effects of credit ?

The general effects of credit are favorable to commerce and agriculture, but are most disastrous when they prompt imports far beyond the demand, which is frequently the case, as the surplus causes depreciation in prices and usually creates a crisis in the market.

Referring to bankruptcy, many bankrupts in this country do resume business without complying with the legal formalities required by the Turkish law.

JOHN T. ROBESON,
Consul.

UNITED STATES CONSULATE,
Beirut, August 31, 1883.

BRITISH INDIA.

CALCUTTA.

REPORT BY VICE-CONSUL-GENERAL BANORFT, OF CALCUTTA.

I have the honor to acknowledge receipt of circular dated May 25, 1883, containing interrogatories prepared by the board of trade, which I have delayed replying to until I could ascertain facts relating to the fifth interrogatory. Four firms doing the largest retail business in dry goods, hardware, drugs and fancy articles have kindly gone through their sales-books for the past ten years, and all arrive at about the same result regarding losses.

1. Does credit stimulate trade ?

In answer to this question I have no hesitation in saying credit stimulates trade very much. Eurasians and the better classes of natives are very averse to paying cash, and it would be almost impossible to carry on a profitable business if the cash system were adopted. Some few years since the "Trades Association" attempted to introduce cash payments, the result of which was a falling off of sales to the amount of 10 to 20 per cent., a result so unsatisfactory, that the credit system was again resumed and continues to the present time.

2. Are the people averse to contracting debts ?

To this I should reply, not at all.

4. To what extent does credit prevail in proportion to the volume of business ?

This question has been decided by the different tradespeople to be 80 per cent.

5. To what extent do losses incidental to business prevail ?

Several of the largest retail merchants, representing all the different branches of trade, have gone over their sales for the past ten years, and have found their losses would average 10 per cent. per annum.

6. Do tradesmen extend credit to mechanics and laborers readily ?

Yes, very readily.

7. What advantage have cash buyers ?

A discount of 10 per cent. on their purchases.

8. Is interest demanded on time accounts ?

Interest at the rate of 8 to 10 per cent. is demanded generally, sometimes 12 per cent.

9. With what classes are the evils of credit most conspicuous?

They are most conspicuous with those belonging to the uncovenanted service.

10. What kind of produce or manufactured articles command cash returns?

None.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Credits of record, by which I understand to be meant judgments by confession as security for debts, are unknown to our present procedure, the law sanctioning them having been repealed long since. Ordinary judgments in India afford no security over the landed property of a debtor until such landed property has been attached in execution. Mortgages are very prevalent here. Mortgages are not restricted to any particular classes of the community, but they are more commonly prevalent among tea and indigo planters.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

The fact of a person having been discredited in business does not necessarily interfere with his carrying on business, provided people are willing to deal with and give credit to him, and, as a matter of fact, instances are not infrequent here where firms, or persons whose credit has been shaken have gone on doing business and getting credit as if nothing had happened. In case of failure of a trader, followed by an adjudication of insolvency, the only obstacle to the resumption of business by the insolvent is, that until the date of the order for his final discharge, which cannot be made until the expiration of a year from the date of his personal discharge, all property he may acquire goes to the official assignee.

13. Is bankruptcy frequent?

I should say that bankruptcy, or, to speak more accurately, insolvency, is tolerably frequent in India.

14. To what extent do relief acts in bankruptcy prevail?

I do not quite understand whether this question relates to the local extent of relief acts or to the number of such acts. In the Presidency towns of Calcutta, Madras, and Bombay the law of bankruptcy, or rather insolvency, is regulated by an English statute (11 and 12 Victoria, chapter 21), the procedure prescribed by which is very antiquated, and until comparatively recent times this was the only bankruptcy, or rather insolvency, law obtaining in British India. By the Burmah courts act of 1875 (an act of the Indian Legislature), however, the courts of the province have been vested with insolvency jurisdiction, and by the code of civil procedure (Act XIV of 1882) power is given to the local courts outside the Presidency towns to declare a judgment debtor arrested in execution of a decree an insolvent, and to vest his property in a receiver, but not to discharge him, except from arrest, until one-third of his debts are paid or until the expiration of twelve years from his being declared an insolvent. Under the insolvency laws obtaining in Presidency towns traders can be finally discharged without paying any portion of their debts, and are practically so discharged as a matter of course with very few exceptions now. Traders, however, can only obtain an order of final discharge after paying one-third of their debt.

15. Are fortunes readily made and lost?

I cannot say that fortunes are readily made in India nowadays, but I have no hesitation in saying that they are readily lost.

16. What are the general effects of credit?

The effects of credit may be shortly described as being in very many cases the loss of the creditor's money. The system of credit obtains very largely in all kinds of business in Calcutta, and the system is peculiarly mischievous in its results, owing to the impossibility of checking the rascality of native traders, who can practically defraud their creditors with impunity. The European merchant engaged in import business in articles dealt in by native dealers protects himself from loss by engaging the services of a Banian, who, in consideration of a commission, guarantees all sales made to natives, which, of course, reduces the merchant's profits.

C. C. BANCROFT,
Vice-Consul-General.

UNITED STATES CONSULATE-GENERAL,
Calcutta, September 25, 1883.

PALESTINE.

REPORT BY CONSUL MERRILL, OF JERUSALEM.

On receipt of the circular from the State Department, dated May 15, 1883, I at once set about collecting facts pertaining to the money, trade, and general business interests of the country; but upon compiling them and comparing them with the requirements of the interrogatories, as expressed in said circular, I find that while many of these facts are of special interest, they do not legitimately belong in an answer to the questions proposed.

The business of the province of Palestine is large when compared with the unfortunate way in which it is governed and the wretched manner in which its resources are developed. In the present state of affairs the province is really poor, and Jerusalem is a city of poor people, there being among its 40,000 inhabitants at least 20,000 who are mainly supported by charity. Consequently the amount of business of the city and province makes but a small item in the commercial balances of the world.

The first question proposed in the circular, "Does credit stimulate trade?" could be more fully and satisfactorily answered were this a seaport town, like Smyrna, for instance. Applied to Jerusalem, the answer must be that credit does not stimulate trade.

As to contracting debts, the people of all classes throughout the province are only too glad to do so.

There are no sumptuary laws or regulations concerning credits.

Importers give little or no credit, and hence losses are small.

Credit is readily extended to mechanics and laborers by tradesmen; still, the advantage to cash buyers, in the smallest as well as in the largest transaction, is always very great.

Interest is not demanded on time accounts, but if it is taken, it is added to the amount.

The evils of credit are most conspicuous and disastrous among the farmers. Indeed, under the ruinous exactions of the Government and the terrorism exercised over them by the money-lenders, the wonder is that anything like farming in this country is possible.

All kinds of produce and manufactured articles command cash returns. Credits of record, mortgages, &c., are very prevalent, and among all classes.

When a person has failed in business he can resume at any moment that he is able to do so, and there are no obstacles to such resumption.

Bankruptcy is frequent, particularly among Jew traders.

As to relief acts in bankruptcy, nothing of the kind is known.

Fortunes are seldom made in this country, and the general effects of credit, so far as that term applies to this city and province, are prejudicial to real prosperity.

SELAH MERRILL,
Consul.

UNITED STATES CONSULATE,
Jerusalem, November 29, 1893.

CEYLON.

REPORT BY CONSUL MOREY, OF COLOMBO.

Department instructions per circulars of 15th and 21st May, respectively, have been received. I append hereto answers to the interrogatories contained in the former, trusting they are what is desired.

1. Does credit stimulate trade?

Yes.

2. Are people averse to contracting debts?

No.

3. Are there any sumptuary laws or regulations concerning credits?

None.

4. To what extent does credit prevail in proportion to the volume of business?

Six-tenths at least of the business is done on credit.

5. To what extent do losses incidental to business prevail?

They are incalculable.

6. Do tradesmen extend credit to mechanics and laborers readily?

No. Native mechanics earn, on an average, 30 cents per diem, and common laborers earn 13 cents per diem; therefore, if they were given credit (which they are not), it would necessarily be for such a small amount as would be imperceptible in the trade system at large. Most of such people are, however, in debt to usurers for small sums of borrowed money.

7. What advantage have cash buyers?

Ten to forty per cent.

8. Is interest demanded on time accounts?

Yes.

9. With what classes are the evils of credit most conspicuous?

Planters, bankers, merchants, and minor civil servants.

10. What kind of produce or manufactured articles command cash returns?

All products of the island exported.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Fully six-tenths of the real estate in Ceylon belonging to private parties is mortgaged for more than its value.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

He may resume after going through the bankruptcy court and getting a certificate.

13. Is bankruptcy frequent?

Yes.

14. To what extent do relief acts in bankruptcy prevail?

There are no relief acts.

15. Are fortunes readily made and lost?

No.

16. What are the general effects of credit?

The country is nearly ruined by credit.

W. MOREY,
Consul.

UNITED STATES CONSULATE,
Colombo, Ceylon, July 14, 1883.

STRAITS SETTLEMENTS.

REPORT BY CONSUL STUDER, OF SINGAPORE.

1. Does credit stimulate trade?

On general principles, provided creditors and debtors understand each other well, have confidence in each other, and the securities are good, I think it does, if moderately and discreetly given. A good deal depends on the conditions upon which credit is given. Where heavy rates of interest and securities are exacted, which in case of inability to meet a debt when due, in whole or in part, sap a trader's property and existence, I think it does not only not stimulate trade, but retards and injures it; and, in like manner, if a debtor absconds, makes away with his property in a fraudulent manner, or gives securities which he knows to be poor or worthless, taking advantage of the confidence of a creditor, especially when the latter advanced him money or goods on easy terms. On the whole, I think it would be better for trade, generally, if it could be carried on with as little credit-giving as possible, though without any credit at all trade is impossible. But when trade depends largely upon planting enterprises, mining, and coastwise navigation, including ship-building, to bring the trade from countries, islands, and places where "civilized and speedy navigation" has not existed, as is the case in the ports of this colony, I think that credit, judiciously given, stimulates trade greatly. For the colony of the Straits Settlements, then, it may safely be said, it does stimulate trade.

CONTRACTING DEBTS.

2. Are people averse to contracting debts?

Some are and some are not. In this colony, I may say, the majority is not, and this majority consists chiefly of Chinese traders, shipowners, planters, miners, and mechanics, who are not at all particular about contracting debts, but not often blindly.

3. Are there any sumptuary laws or regulations concerning credits?

I submitted this question to the colonial secretary, who referred it to the registrar of the supreme court, and received the following reply, viz:

I don't quite understand this interrogatory.* If the consul wishes to know whether there are sumptuary laws according to the ordinary meaning of the term, I can an-

* I referred it as I received it.

swer there are not. Neither are there any regulations against giving credits, except as regards minors, and in their case only for articles not necessities.

I believe that this is the correct answer. The general trade, on the whole, is allowed to regulate itself.

PREVALENCE OF CREDIT.

4. To what extent does credit prevail in proportion to the volume of business?

It is utterly impossible to answer this question for the colony and provinces within my consular jurisdiction, as no record of this is, or can be, kept, owing to the nature and force of circumstances; but I may safely say, "to a great extent"; and again I may say the Chinese are chiefly the debtors. And as this is a matter of great interest, I will explain as briefly as possible.

The European firms in this colony are, with few exceptions, importers, exporters, and commission merchants, all in one; and some of them also the agents of steamship companies, bankers, or the agents of banks, bankers, discount, loan, and insurance companies, &c. They import the goods that find a market here, or in this part of the world, and in turn export the products of this part of the world, best known under the name of "Straits produce." To obtain the latter they sell or exchange the former, or make cash advances, or buy with ready cash; and to be successful in this (but not always) they have their "middle traders." The latter are chiefly Chinese, and also Arabs, Klings (from the Coromandel coast), a few Malays, and other natives of Asia. But as the latter are less important factors, a few Arabs excepted, I will confine myself, for my illustration, to the former—the Chinese—because the rest are only a sort of "adjutants." Now, these Chinese middle traders fall into several classes, and as each, as a rule, heads an enterprise of his own (and has a firm name, called here "chop," which means the firm's seal and signature, with the name or names of the persons constituting the firm engraved on it in Chinese characters), he is called a "towkay," which means the "chief" or "boss." There are,

Firstly, the "towkays" who own steamers and sailing vessels, and have trading stations on the coast and the remote places of the Peninsula of Malacca, in British, Malayan, and Siamese territories, in Sumatra, Borneo, and other islands—and they have their ramifications and stations wherever it is possible to go, so long as they find any profit in bringing out the products—send their small steamers and sailing crafts laden with goods to sell and to barter for the produce of the jungle, the plantation, and the mine, ascending rivers as far as they safely can go; and from those points, generally having depots there,* they send smaller boats, rowed with paddles, to the native settlements, to where the rivers are no longer navigable, having agents of some kind everywhere, who receive the goods and return the produce accumulated since the last call. Some of these "towkays" have hundreds of people in their employ, chiefly Chinese for business and labor, and Malays to row the boats and to go among the natives in and near their settlements to do or effect trade.

Secondly, there is the "planting towkay," generally a heavy land

* I have seen some of these depots, or trading stations, in the interior of the peninsula of Malacca, far up the rivers, and they were very creditable institutions—large, roomy, strong buildings (sheds, rather), filled with goods to barter and products exchanged, inclosed with strong stockades, and facing the river, all attended by smart young Chinamen.

owner, who either is a planter himself (employing a large number of coolies) of tapioca, or makes advances to Chinese laborers to plant gambier and pepper (chiefly), &c., for him. He furnishes them with a small money advance and an outfit of clothes, food, implements, and opium (for such as use the drug), &c., on condition that they deliver to him, and no one else, at a stipulated (generally) price their products.

Thirdly, there is the "mining towkay," who, having secured tin-bearing land from the Government, makes advances in about the same manner and upon the same or similar terms as the "planting towkay" to Chinese laborers to mine tin for him.

Now all these "towkays" (middle traders), except where cash transactions take place, have open accounts with European firms. They buy what goods they want and have them charged, and agree to deliver, from time to time, a lot or lots at a certain time, and at stipulated prices, gambier, pepper, rattans, tin, gums, hides, &c. But as they have an open account and are trusted, they come and get what goods they want, and are often enough in debt for thousands of dollars.

The native bazaar men, Chinese, Klings, Arabs, Hindoos, Malays, &c., after they have proved fair customers, receive credit from European merchants to more or less extent, often for considerable sums and on long terms (paying on account). And there are the small traders, hawkers, mechanics, small contractors (buildings, &c.), small farmers, hack-owners, boatmen, &c., who receive loans at *very* exorbitant rates from Chinese, Arab, and Hindoo capitalists, the last mentioned, known as "chitties," being the worst, most merciless, detestably exacting, and the most numerous. And European firms receive at times loans from the banks, or agents of banks (occasionally heavy loans), but only upon strong collaterals—documents or produce, or both. European retail traders, after being fairly established and bearing a good reputation, are allowed to overdraw, moderately, at some of the banks.

LOSSES IN BUSINESS.

5. To what extent do losses incidental to business occur ?

That question cannot, any more than the preceding one, be answered very satisfactorily or reliably. When a European firm loses in consequence of miscalculations or unfortunate speculations it is very apt to keep the loss or losses as secret as possible, to prevent its credit becoming injured. But when a Chinese middle trader, a "towkay," or the keeper of a bazaar, fails, one is apt to hear something about it, all the more as it occurs spasmodically or periodically, a few generally going by the board together. I have noticed that these failures occur about every third year, and that one failing firm or "chop" generally leaves several firms in the lurch, and for goodly sums, too, all the way, per firm, from \$1,000 to \$50,000. I have heard of firms that lost at such periods, some \$1,000 to \$5,000; others, again, as high as \$30,000, and even as high as \$50,000. These heavy failures occurred during the first seven or eight years of my residence here, and the firms came to an agreement together to adopt mutually such rules, secure themselves in such a manner, as to make such failures impossible. But it seems that some of them, the result of false representations made to them, and of competition, more than anything else, relaxed; and, as a consequence, failures occurred again from time to time, but not to the same extent and volume as formerly. A very few failures also occurred, since I have been here among the European firms, either the results of mismanagement, over

reaching themselves, or by engaging in too many schemes and enterprises, to and after which they did or could not look or bestow the necessary attention and care.

The most numerous failures occur among the native small traders (hawkers and shopkeepers), mechanics, or, better said, small contractors, owners of lighters, boats, hack carriages, and bullock carts; also among the half-caste ("Eurasian") clerks, &c., employed by firms, the Government, and sundry enterprises, who, as a rule, are poorly or very badly paid, and in their endeavors or attempts to live after the manner and style of Europeans, have a hard time to make both ends meet. The great majority of the classes named are in the hands of the rapacious "chitties" (a Hindoo caste), above alluded to, borrowing from them sums equal to about one-third or one-half of the value of the property (mostly movable chattels) they assign in or with their promissory notes, and this at most exorbitant rates of interest, all the way from 18 to 30 per cent., and even more, interest, as a rule, payable monthly on the whole sum of principal until the latter is paid, and a monthly installment or part payment of the principal to be paid also, in addition to the interest. It is safe to say that their earnings or profits of the business, after affording them a scant living, are in a great many cases not sufficient to meet their terms of payment or only a part thereof, if at all. The "chitty" (lender) may for a while be content taking all the interest he can get (or, better said, all he does get,*) if it does not fall very short of the amount due, and extend the terms of payment. But just so soon as he finds relaxation taking place, sees signs of probable failure, he goes and seizes the property assigned as security, if no opposition is made, or prosecutes the debtor before the court of requests, if the debt claimed as due amounts to less than \$50, and before the high court, if it amounts to more than \$50. The court of requests does not give decrees of bankruptcy, and only after hearing both sides orders payment, on peril of imprisonment, in small installments at sufficiently long intervals. While there is, to the best of my knowledge, no law against usury, the "chitties," I am glad to say, are not allowed to have their own way before the court of requests, and must be content with such sums as the court orders the defendant to pay. But since, as a rule, they had already secured the "lion's share" of the poor man's property, or of his income from any source, they can easily afford to be content with the payment of a reduced balance on long terms. The high court, however, issues decrees of bankruptcy, and appoints trustees, &c. But, in many cases, before it comes to that, rather than to allow it to go that far, and to avoid litigation, the lender and the borrower effect some settlement out of court.

The great misfortune for the native business man of small means is that he cannot borrow money at the banks or from European capitalists at the usual rates of interest of from 8 to 12 per cent., and is forced to borrow from the native usurer, who can discount his notes (or collaterals of notes by being indorser) at the rate of interest just alluded to (about 9 or 10 per cent.) at any time. This is not only a misfortune for the small trader, or natives of the laboring classes, but for trade and commerce generally. There are many here who hold the same view. On the other hand it must be admitted that the banks and European capitalists have little or no opportunity of finding the standing or financial ability of the lower order of business men, while the native lender has it fully, because he lives among them and is a shrewd, careful observer.

* And the licensed (by Government) pawnbrokers do a thriving business in trinkets, objects of value, jewelry, clothing, &c., at the same time, at most exorbitant rates.

CREDIT TO WORK-PEOPLE.

6. Do tradesmen extend credit to mechanics and laborers?

Generally speaking, no, not very readily, which is best shown in the answer to the foregoing interrogatory, barring, as a rule, Chinese mechanics and laborers. The Chinese population is really a family by itself, rich and poor, high and low. The Chinese furnish by far the largest quota to the mechanics and laboring class of the colony, being a unit of mutual understanding and welfare (chiefly through the medium of "*Kongsees*," or secret societies, leagues, and factions). A Chinaman can obtain from a Chinaman—be he trader, mechanic, planter, boatman, or common laborer—what he could not likely or not so readily obtain from any other class or race of inhabitants (capitalists or traders) at any or at such time as he may want it. As a consequence, the Chinese—though this remark has nothing to do with the interrogatory—are, with all their faults, the most prosperous of all Asiatic inhabitants and the most numerous as well; and, among themselves, they are far more charitable than most of the other classes or races, and it would not do to leave out—since it is not likely that a Chinese capitalist, as an exception to capitalists of other races, would make advances to an indolent or shiftless man or criminal, known to him to be such—that the Chinese mechanics and laboring classes are an exceedingly industrious and frugal class of people. Laziness and shiftlessness are rarely, if at all, found among them (where found, they are, as a rule, far-gone opium smokers), which cannot be said (not to the same extent as regards some) of other Asiatic races. If the Chinese were taken out of this colony trade would be at a stand-still.

CASH PURCHASES.

7. What advantage have cash buyers?

As a rule, a great advantage, like most anywhere else; always provided that they are smart and intelligent enough to take or obtain advantage of it—of being prepared to buy for cash; that they understand the intricacies of commerce, the market, the standing of the firms constituting the market, be it for one or more articles of merchandise; whether articles of export or import, or both. In this market, where there is such heavy competition in imported goods and such a great field for speculation in "exports" (colonial produce), the ready-cash capitalist, if he is smart, wide awake, observing, active, and discreet, will soon find his advantages—real ones. But, *conditio sine qua non*, he must first study the commerce and enterprises of the colony, with ramifications, and the arteries of trade, if he does not intend to confine himself to specialties or trade on a small scale.

INTEREST AND EVILS OF CREDIT.

8. Is interest demanded on time accounts?

Yes, as a rule, especially when there is no reciprocal trade between creditor and debtor (as above shown), between a European firm and a middle trader; and where reciprocal trade exists a certain rate of interest is charged or allowed on the daily balance.

9. With what classes are the evils of credit most conspicuous?

Firstly, with all dishonest people, when and where they get a chance to take advantage of credit extended to them, after they have been found out; secondly, as above shown, with dishonest middle traders;

and, thirdly, also as above shown, with native small traders, contractors, mechanics, laborers, half-caste clerical employés, &c., who are forced, having no access to the banks, bankers, or firms, to borrow money from native usurers at ruinous rates.

CASH PRODUCTS.

10. What kind of produce or manufactured articles demand cash returns?

All kinds, where the condition of purchase calls for cash down upon delivery. Next, all kinds, where the standing and reputation of a would-be purchaser are either unknown or doubtful, or he cannot offer satisfactory security. This as regards local trade. As regards imported goods this question cannot be answered as to special articles, generally speaking, all depending on the solvency of the purchasers. No firm will import goods which have never been tried in this market by direct purchase, and only upon consignment on commission, let the quantity and value be what they will. But after an article has found favor, is successfully introduced (or promisingly), the importer orders supplies and remits the amount or assigns credit. Sometimes if an article is of slow or somewhat doubtful sale the importer may agree to order more of it on condition that he need not advance more than a certain percentage of the price-current value, say from 60 to 80 per cent., and to make the whole transaction one of commission strictly, balance, after deduction of commission, to follow, if realized. There are firms (in fact the majority of European firms) which have branches in Europe, and which latter, understanding the market here and being in constant correspondence by letter or telegraph with the former, send out supplies of goods and pay for them there upon the terms they make there, which are, of course, known to the partners here, but to no one else, likely. Certain it is that very large quantities of goods, especially in the line of textile fabrics, are thus sent and imported here, very probably more than by direct orders from firms here to the manufacturers themselves or their business agents. Some manufacturers or their agents or merchants will not forward their products on consignment to this market (certainly not after the market has been tried for any article and found favorable) without being paid for the same upon shipment, and that would include all current marketable articles of import. All articles of food, common or luxurious, wines, beer, liquors, ship stores of all kinds, petroleum, tobacco, materials needed for the building and repairs of vessels (steam and sail), and a long list of other articles, command cash returns (textile fabrics, all kinds of hardware, household goods, clocks, watches, fire-arms, carriages, articles of clothing, fancy goods, perfumery, &c.). All articles of export, being Eastern colonial products, known, as regards this colony, under the name of "Straits produce," command cash returns upon shipment. The following articles come, as per chamber of commerce market reports, under the head of "Straits exports," viz: Cloves, coffee, copra, cubebs, cutch, dragon's blood, gambier, gamboge, green-snail shells, gum dammar, gum copal, gum benjamin, gutta percha, fish-maws, hides (buffalo and cow), horus (buffalo), nutmegs, mace, mother-of-pearl shells, pepper (black and white), rattans, rubber (India and Borneo), sago, stick lac, vegetable tallow, tapioca, tobacco (Sumatra), tin. These are the chief articles. There are minor articles of export, such as sapan wood, shells and corals, essential oils (of citronella, patchouli, nutmegs, &c.), cajaput oil, patch leaves, cassia and cinnamon, tortoise-shells, and Malacca canes, &c.

CREDITS OF RECORD.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

I submitted this question to the colonial secretary, who in turn submitted it to the registrar of the supreme court, and received the following reply:

Mortgages are prevalent amongst all, and judgments to a most limited extent, as regards the classes affected by them.

I could hardly answer this any better, because there is probably no place on the coast of Asia where there is a greater variety of "races" and "classes" than at Singapore. As regards commerce and trade and enterprise, we find the European merchant and banker, the banks, the native wholesale, middle, and retail trader, money changers and lenders, the European and Chinese planters, the real-estate speculators (regardless of race), ship-builders, and machinists, mechanics, employés, laborers, &c., all resorting to hypothecation for the security of debts, and all liable to litigation if they do not pay up or settle their differences out of court. Mortgages, of course, are recorded. The charges of lawyers here are so high that most people prefer to settle their differences without resorting to litigation, and as a consequence there are fewer judgments than there might be were it otherwise. A man of small means, especially when he is already in debt, and *knows he is*, cannot afford to engage a lawyer, or if perchance he can, and wins his suit, he gains very little, if anything, by it; the lawyer comes in for the "lion's share." Men of wealth who can afford to have and fee a legal adviser go to him for legal advice whenever they need it, and to avoid litigation, and to draw up or prepare documents, &c.

RESUMPTION AFTER FAILURE.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

This question I had also referred to the registrar of the court through the colonial office, and received the following reply:

When a person has failed in business and become bankrupt, he can resume business if he has compounded with his creditors, or if under the bankruptcy ordinance he has paid 50 per cent. and obtained his discharge.

BANKRUPTCY.

13. Is bankruptcy frequent?

The registrar of the same court informs me that it is not frequent, and is principally confined to clerks (principally Europeans) and small native traders. In the colony of the Straits Settlements last year (1882) there were 13 adjudications of bankruptcy.

14. To what extent do relief acts in bankruptcy prevail?

I had this question also referred to the registrar of the court, and received no answer except reference to the answer given under No. 12. But I may add that a good part of any relief that may be given is left to the discretion of the judge of the supreme court, who, after hearing both sides, and finding that the creditor was one of the native rapacious usurers above alluded to, and that the debtor bore a good character, did all he reasonably could do to pay his debts, or met with misfortunes or losses over which he had no control, &c., may order—though the 50 per cent. of the indebtedness must be paid under the ordinance—that

the bankrupt pay the same in small monthly installments until paid (fixing the amount per month). But after such a lenient order has been made, the bankrupt must live up to it or take the consequences, which are not lenient or easy. No bankrupt is allowed to absent himself from the colony before receiving his certificate of discharge, on peril of being imprisoned if taken in the act of leaving; and any creditor or trustee, if he finds or is reliably informed that the bankrupt is making preparations to leave the settlement where he resides, which he can only do by going to sea, has the right, upon an affidavit setting forth that he has just grounds (explaining them) to believe that the bankrupt is making efforts to leave the colony with the intention of not returning, to take out a warrant for his arrest. Such a warrant, however, can only be served on board of the vessel within the jurisdiction of the port on which he is found and about to leave port.

MAKING AND LOSING FORTUNES.

15. Are fortunes easily made and lost?

A good, careful, capable business man, well educated, generally informed, frugal, sober, discreet, and honorable, after having studied the market and arteries of trade, the usages, customs, and manners of the people, of the way trade is carried on, and learned the Malay language sufficiently to carry on a conversation, can readily make a fortune in the course of a few years, especially when he can come well recommended and with some capital to both give him a start and to have a reserve. And he will not readily lose his fortune if he is careful in his dealings, of his business and interests generally, and keeps aloof from speculations which he does not understand, upon representations verbal, written, and printed, and of which he is not able to judge, and avoids extravagance in anything. I have resided a long time in this colony, and I have always noticed that all steady going, industrious, and honorable merchants and men of enterprise who gave their whole attention to their business only, and were not extravagant in their habits or in social matters, and of good moral character—respected for it in the community—and left stock-gambling and uncertain schemes and speculations alone, amassed goodly fortunes in the course of a few years; and that when they met with severe losses in regular trade it did not seem to affect them much, and that their credit was not allowed to suffer.

I have known a very few firms, all of which were in good and some in very good standing at one time, to lose their fortunes and credit, and in each and every instance it was their own fault, more or less; some of them, amassing a big fortune, engaged in too many speculations, of which, firstly, they were not good judges (sometimes thought they were), or only in part; and to which, secondly, they could not properly attend (too many irons in the fire); and maybe a partner or more, or agents, were not careful, capable, or frugal, and, as a consequence, they lost all, or nearly all, they had. Others, again, in addition to losses sustained in trade, or poor, loose management, became the sad victims of bad habits, extravagance, and gambling in stock.

I can say that, as a rule, the European firms (I do not include so much the natives in treating this subject) in this colony, while I have resided here, made fortunes readily enough and kept them, with the precious few exceptions mentioned, and among the latter some, after having received a sound lesson, are rising again. Large fortunes have also been

made in planting (coffee, sugar, and tobacco, chiefly), but much more in neighboring colonies than in this colony, where planting by Europeans is comparatively in its infancy.

They have, on the whole, a very good way or rule among the firms here (in the East generally) for making, keeping, yea perpetuating fortunes, which I will briefly illustrate. Say a merchant starts a firm, with or without a partner (all of them here have partners, or interested assistants, receiving a bonus over and above his fixed salary after several years' service). After the formation of the firm, they engage their assistants or clerks* in Europe for three years, and they are well-educated young men, who have served regular apprenticeships in commerce, and this, too, as a rule, in corresponding firms in Europe, (engaged in trade with the East), and who are often relatives of the heads of firms or the sons of friends or correspondents, and who, in all instances, are highly recommended as to ability and integrity. They receive free passage out and back, and sufficient salary to live nicely and to move moderately in good society. If found efficient, trustworthy, free from bad habits, and endeavoring to promote the interests of the firm, they, upon expiration of the first term of three years, are engaged again for three additional years at much higher salaries, large enough to save a goodly portion if they remain frugal. At the end of the second contract, or sixth year, they are generally intrusted with signing the firm's name *per procura*, and with this they enter upon the third term, receiving, occasionally, in addition to increased salary, a bonus out of the profits. At this juncture the managing partner, or one of the partners, finds it necessary to enjoy a well-earned rest, recreation, and a change of climate, and goes home for about nine to twelve months, leaving his partner, or the procura bearer, or both, in charge, and on his return it is usual to let the procura bearer go home for a few months and to make him a partner of the firm, allowing him a limited share of the profits, and not to draw for his personal use more than a limited sum for a certain period. After the return of the new partner from his vacation in Europe, the senior partner (I record here results of general observation), finding that he has been in the colonies a long time (on an average about fifteen years), and made a fortune that will enable him to retire if he wishes to, leaves. Sometimes, when in poor or broken-down health, they retire permanently, but oftener they establish or join a branch firm in Europe, and the oldest (senior) partner of the latter retires there permanently; or, if they have no firm there, they retain an interest in their Eastern firm and become the European business agents of it until relieved by the next returning partner.

Thus, it will be seen that the young man and new beginner in a firm here knows that all he has to do is to live up to duty and to protect and push the interest of the firm he serves in any consistent and proper way he can, and "to behave himself" generally, in order to become after a few years a partner of it and a rich man in the end; and this spirit pervading all or the majority of the personnel of a firm, they are bound to succeed.

Years ago, people here say, before the canal of Suez was opened and the submarine telegraph to this colony laid, fortunes were made much easier and sooner than thereafter, and larger fortunes too. But there were fewer firms, with less competition, than since the said establish-

* Lower-grade clerks, assistants to higher assistants, are engaged here among the Eurasians and Chinese who received what education they have, as a rule, in this colony.

ments. There are, however, now, owing to the vast increase of steam navigation and the opening out and development of new territories and increase of many enterprises, many more ramifications and arteries of trade, which, I think, fully counterbalance the advantages enjoyed during the first-mentioned period, if one understands to take advantage of them, and some have taken advantage of them with good success, and a great many more might have done so, but lacked the spirit of enterprise, &c.

Among the Chinese, also the Arab and Kling population, but especially the former, many large (some very large) fortunes have been made and, as a rule, kept and increased. The majority of such Chinamen were once gambler and pepper planting coolies, or, otherwise, coolies—laborers—and the number of well-to-do people is larger among them than any other class of natives. The Chinese, once getting along well, spend more for a neat, comfortable residence and the comforts of life (advancing gradually to luxuries) than any other class of natives of Asia known to me; but, after all, neither the Chinaman nor any of his Asiatic brethren (generally speaking, admitting unfrequent exceptions) spend as much for living as the average white man. The former can live where the latter cannot; he needs less and cheaper clothing and other necessities and comforts of life, and is inured to the climate, and the demands of society upon his purse are a mere trifle as compared with those of the European. The average native can live, all told, on from 15 to 20 cents per day, when it costs a poor white man for boarding and lodging alone (in sailors' boarding-houses, for instance,) from 75 cents to \$1 per day, if in good health. One need, therefore, not be surprised if the less educated but equally shrewd (if not more so) Chinaman and Asiatic makes a fortune on an average (and in greater numbers) in a shorter time than the white man, and loses it less seldom than the latter. He has many, ever so many, advantages for keeping money which the European is bound—aye, forced—to expend. But for the command or management of enterprises on a large scale he is not equal to, and always yields to, the European; but he can be a very valuable assistant in one way or another.

GENERAL EFFECTS OF CREDIT.

16. What are the general effects of credit?

As regards this colony, the answer to this is easiest found by reading the foregoing; and I may say that they have been on the whole good, and might have been better if more had been given, but on legitimate, *i. e.*, fair, and not rapacious, terms, and for sundry enterprises, such as sugar, tea, coffee, spice, and tobacco planting, and sundry manufactures that could be carried on here at a good profit. If a severe law existed forbidding the exaction of usury rates of interest from among the small traders and laboring classes (anybody), the effects of credit would have shown and still show to far better advantage. This evil of usury I regard as a fester and a curse upon the colony in more than one way. But wherever credit was extended to good people upon fair and solid terms the effects have been manifestly good.

A. G. STUDER,
Consul.

UNITED STATES CONSULATE,
Singapore, September 15, 1883.

DUTCH INDIA.

REPORT BY CONSUL HATFIELD, OF BATAVIA, JAVA.

I beg to acknowledge receipt of your circular under date of 15th and 21st May last, and the inquiries made in the first mentioned have had careful attention.

In reply I beg to inform you, as regards trade in Java, that not only does credit stimulate it but it is a *sine qua non* in dealing with the native, Chinese, or Arab trader here; in fact selling for cash is exceptional, and the system of giving long-term credits for imports bought, and advancing funds against produce to be delivered by such traders, is universal.

The people, *i. e.*, the natives, are by no means averse to contracting debts, but on the contrary show an especial aptitude for it whenever an opportunity presents itself; amongst the Chinese and Arabs, however—the dealers who stand between the European and the native—the fault is not so pronounced, but this simply because they are more advanced people in both cases, and when engaged in business have more or less of a reputation to maintain.

Debt amongst the Javanese and Malays is universal, and it is probably safe to estimate 90 per cent. at least as owing money in one shape or another.

There is no law nor regulation beyond mercantile etiquette governing credits; it is entirely a matter of private arrangement between buyers and sellers, borrower and lender.

In the import trade, *viz.*, those houses more or less exclusively engaged in disposing of foreign manufactured goods, the giving of credit to their buyers is universal. This also applies to shops and tradesmen generally throughout Batavia, Samarang, and Sourabaya, and the other smaller places in the island.

Tradesmen collect their accounts at the end of each month, but import firms give up to six months' credit if desired, and in some cases even nine months' is granted.

Business losses may be said to be confined to Chinese and Arab or native traders, and are often considerable. It is very difficult to state what the proportion amounts to, as no data regarding the matter are available; but to state that every Chinese dealer fails sooner or later, or when he finds it most profitable, would not be wide of the mark.

Mechanics, laborers, and servants, *i. e.*, natives, are almost invariably in debt to the Chinese groceryman or tradesman for their month's supply of food. These people have no idea of economy whatever, and if they have any balance of wages left after paying their petty accounts, it is in the majority of cases squandered.

In the wholesale trade cash buyers have the advantage of lower prices, as is usually the case elsewhere, but in the case of private individuals dealing with tradesmen this advantage is more nominal than real.

Interest is not usually openly collected nor charged in time accounts, but is certainly included in the price.

The bad effects of a universal system of credit and advances are most apparent among the native and half-caste population, who in numerous cases, especially the native, are completely in the power of the tradesman.

A dealer can buy almost any imported article on credit; sales to European shipping firms of produce, however, are always for cash, and in the majority of cases this has been anticipated by the dealer, who receives large advances against produce to be delivered between stipulated dates, often months afterwards.

Sales of sugar or other native products to shippers by European planters are on a cash basis, but even in these cases the estate is often burdened by loans received from the merchants or banks.

Recorded credits, such as mortgages, &c., are not prevalent among property holders; in fact there have been none since 1877. Amongst Chinese and Arab traders, however, failures to meet engagements are common enough, and losses are at times severe.

The fact of such a dealer having gone under does certainly not debar him from commencing again as soon as his creditors have accepted a settlement, nor is there any obstacle beyond this settlement to a resumption of business. In cases where a settlement has not been effected the law does not permit the same person or firm to recommence, but Chinamen, Arabs, and natives usually get around this if they desire by using the name of a relative upon which to build.

Amongst non European dealers bankruptcy is certainly far from unusual.

It is customary among European firms to relieve a bankrupt and permit him to go on when they are satisfied that the settlement offered by the debtor is honest, and that the failure is not the result of an attempt to make money.

Speaking in general terms, however, creditors are not usually satisfied with the statements presented, and the fear of imprisonment has at times a most wholesome effect.

Fortunes are not readily made in the East any more, but it is not unusual here for those who have accumulated more than a competency to lose it in speculation or find it dwindle away in the costly experience of managing an estate; this is especially the case with wealthy Chinese.

The general effects of the credit system as in vogue in the Dutch East Indies may be summed up in two words—most pernicious.

Attempts have from time to time been made by foreign firms to form a combination to sell for cash only, and thereby force dealers who are unsound to fail, but this scheme has never resulted satisfactorily. Either small firm refuse to join the syndicate, or secret sales are made.

It seems incredible that in a comparatively small community combined action concerning all, on a matter of the utmost moment, cannot be secured, yet experience has proved that in Java at least it cannot be done.

Natives go into debt upon every occasion in their power, and if allowed stay there; the lower class of Eurasians or half-castes, have a little compunction about the same thing, and altogether the state of society broadly understood may, in this respect, well be called rotten. To failures on the part of Chinese and Arabs it is not unusual to hear dishonesty implied. Chinese traders keep their books and accounts in their own language, and when they become bankrupt an official translator is necessary, should the creditor desire an insight into how the failure came about. To begin with, this is costly, but the expense must either be paid or the debtor's statement accepted as he furnishes it. It needs no comment to show what an opening there is in this for corrupt practices. Less than two years ago the Government was petitioned to oblige alien tradesmen, *i. e.*, Chinamen, Arabs, &c., to write their as-

sets in Malay, a universally understood tongue, but for some inexplicable reason the application was denied and the state of affairs allowed to remain unchanged.

OSCAR HATFIELD,
Consul.

UNITED STATES CONSULATE,
Batavia, Java, July 28, 1883.

SIAM.

REPORT BY CONSUL-GENERAL HALDERMAN.

Referring to Department circular under date of May 15 of the present year, just now received, I have the honor to return the following replies to the interrogatories therein presented.

Does credit stimulate trade?

Yes; immensely, in Siam.

Are people averse to contracting debts?

By no means, so long as persons in business will trust them.

Are there any sumptuary laws or regulations concerning credits?

Not that are generally known. Arbitrary orders curbing display have been issued where it was considered that the rank of the party did not warrant such display. Persons may eat and drink what they will, *ad libitum*, if they purchase of licensed dealers.

To what extent does credit prevail in proportion to the volume of business?

As ten is to one.

To what extent do losses incidental to business prevail?

As one is to five.

Do tradesmen extend credit to mechanics and laborers readily?

Yes; the person or the buyer being responsible for his debts inspires confidence.

What advantage have cash buyers?

With Europeans, a trifling; with the native dealers, little or none.

Is interest demanded on time accounts?

Yes; at the rate of 12 per cent. per annum on the part of Europeans. The native dealers charge 15 per cent. at the least, and as much more as they can get.

With what class are the evils of credit most conspicuous?

With the nobility and gentry, who buy very many useless articles which strike their fancy, at enormous prices, which otherwise they would do without.

Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

To a large extent. They are not confined to any particular class.

When a person in business has once failed or has been discredited, can he resume, and what are the obstacles to such resumption?

If under native jurisdiction, he can. There are no material obstacles, if he has retained the confidence of his creditors. If under consular jurisdiction, the case is varied according to the laws of the eleven countries represented.

Is bankruptcy frequent?

It is not uncommon.

To what extent do relief acts in bankruptcy prevail?

There are no bankruptcy laws as we understand them. When a man's assets fall short of his liabilities, he either compounds with his creditors or leaves the country hurriedly. If taken, his own person and those of his family may be held until the debt be paid.

Are fortunes readily made and lost?

Not now; formerly, yes.

What are the general effects of credit?

Not good.

JOHN A. HALDERMAN,
Consul-General.

UNITED STATES CONSULATE,
Bangkok, October 5, 1883.

JAPAN.

REPORT BY CONSUL JONES, OF NAGASAKI.

I have endeavored to answer the interrogatories contained in the circular-letter of the Department of State of May 15, 1883, respecting the question of credits, but the condition of things is so different at Nagasaki from that of the cities of Europe and America, that I cannot see that they have any bearing on the conduct of business in this locality. Business here is very primitive. The natives bring their produce and receive cash payments.

Among the Chinese merchants and the natives there is a good deal of the barter system in their transactions. Among foreigners trade is conducted under their home laws, and the regulations of credit are the same as in their respective countries.

ALEXANDER C. JONES,
Consul.

UNITED STATES CONSULATE,
Nagasaki, Japan, August 24, 1883.

CHINA.

SHANGHAI.

REPORT BY CONSUL-GENERAL DENNY.

1. BUSINESS TRANSACTIONS BETWEEN THE CHINESE.

Business among the natives is conducted partly on a cash basis and partly on credit, the bulk of the business, however, being for cash, or as near an approach to it as can be arrived at in a country without other currency than a copper one, the alternative being sycee or bullion in lumps, which, except for hoarding, is seldom in the hands of the merchant. Payments are in most cases made by orders on a native bank at five or ten days after date, which for security is generally countersigned by the bank on which it is drawn. These banks are, without exception, private institutions, deriving their funds partly from their own accumulations and in part from the deposits of wealthy mandarins

who are willing to work their capital in that way, being as it were sleeping partners in the concern. The money is loaned out on short time at interest varying with the tightness of the market or the exigencies of the case; and as there are no usury laws in China, this sometimes reaches 33 per cent. Native transactions with the outports are, as a rule, settled by remittance of sycee, although the mutual credit is freely availed of. The large tea transactions in the spring of the year are provided for by the shipment of bags of copper cash, in which currency payment is made to the up-country growers, while in the silk districts the Mexican dollar is used for the same purpose. The Carolus dollar used to be the favorite medium, and commanded at one time a high premium, but of late years has gone out of repute. The accounts of the Chinese are kept in taels and cents, a tael being a weight of silver, and not a coin, and equal to about $1\frac{1}{4}$ ounces avoirdupois. The value of the tael varies in different parts of China, and every port has two taels, one being the Government or Haikwan tael, in which all duties have to be paid, and the other the market tael, the former exceeding the latter by some 11 per cent. This Haikwan Bank is a private bank also, but farmed out by the Government and trusted with the receipts of imperial duties and imports. Minor business transactions in food, clothing, and the like are mostly cash, though here again credit is not unusual with known customers, but the bulk of the retail business is paid for on the spot. One good feature of Chinese trade generally is the appointment of a general settling day for all business transactions at the close of the China year; at this date all transactions must be brought to a termination unless carried over by mutual consent, and even this is considered a sign of weakness, and a Chinaman would, as they say, "lose face" if he failed to meet his obligations before the New Year holidays. There are in addition two minor settling days, one at the beginning of summer (5th China moon), and the other at the end of summer (8th China moon), at both of which dates business transactions are wont to be closed, but the same importance does not attach to these settling days as the final one at the close of the year. The Chinese have no bankruptcy laws by which a debtor can be released from his liabilities, and as they are fully aware of the disastrous effects of appealing to the authorities in such cases they are very prone to take the law in their own hands if they consider they have been imposed on, and a debtor has a hard time with his creditors under such circumstances, even to the extent of corporal punishment.

2. BUSINESS TRANSACTIONS BETWEEN FOREIGNERS AND CHINESE.

Business transactions between foreigners and natives are of two classes, the one being the purchase from the native of the produce of the country, and the other the sale of imported manufactured goods. The former are in almost every instance for cash, payable as soon as the bargain is made and the goods are finally passed. The latter are on the same terms except that time is usually allowed the purchaser in which to take away his cargo, which, however, must be paid for prior to delivery. This is usually done by five or ten day orders on a native bank, and as the orders are usually countersigned there is seldom any trouble with them. The main trouble arising from these transactions is the difficulty of keeping the native to his contract with a falling market, when all kinds of subterfuges are resorted to to avoid taking delivery. The mixed court for the foreign settlement of Shanghai is supposed to give relief in such cases, but its judgments are so uncertain and un-

satisfactory that foreigners avoid seeking its intervention when any other means of settlement are available.

3. BUSINESS TRANSACTIONS AMONG FOREIGNERS IN CHINA.

Business amongst foreigners is usually conducted for cash. These mainly consist of hand purchases and speculation in shares, with a more limited number of operations in imported goods. Native produce is rarely bought except for direct export, though special lines of teas are sold by the foreigner, as unsuitable for the market to which he consigns the bulk of his purchase.

The general store business by which the domestic wants as well as luxuries are supplied is mostly on a system of monthly credits. The medium in which these are paid for is the Mexican dollar, but they are rarely carried on the person, on account of their being cumbersome. The Chartered Mercantile Bank has issued \$5 and \$10 notes, which are a great convenience, but are not frequently seen, as the Chinese are supposed to hoard them, and it is not thought prudent to make the issue too large, as this would necessitate the keeping of too large a deposit of coin idle to guard against a corner in dollars, a situation the Chinese are always sharp enough to detect and take advantage of. For smaller coin Europeans use 5, 10, and 20 cent pieces, mostly Japanese currency, in which fractions of the Mexican dollar are paid.

As regards the stimulation of trade by credit, there is little doubt that it is very largely increased thereby, but that the soundness of trade is increased by it is another and a different question. That credit to a certain extent is an advantage, indeed a necessity, to the well-established trader is not to be controverted, but that the same facilities should be afforded to the hand-to-mouth operator is not only a strong incentive to him to speculate beyond his means in hopes of a successful outturn for his ventures, but has a tendency to upset his calculations of such a result by inducing an oversupply of the article in which he has invested, resulting in a decline in the value which he was unprepared for, and which the circumstances under which he has entered upon the operation preclude him from withdrawing for a time from the market.

That the increased facilities for credit have very largely increased the volume of trade is to be seen by the flourishing condition of the local banks, but the remunerative quality of that trade, it is to be feared, has materially declined. It is rare now to hear of a competence secured here without long years of sojourn and close application to business. The few lucky ones who have amassed fortunes in late years here do so by outside speculations apart from legitimate trade.

There does not appear to be any particular objection to contract debts, but they are mostly of a minor character, and the comparative ease with which a credit can be established with the *compradore* (domestic banker) of a foreign mercantile establishment is a great incentive to the younger portion of the community to overreach their means; but this facility is on the wane, as principals are in the habit nowadays of warning their *compradores* that they are not answerable for the shortcomings of their employés. There are no sumptuary laws with regard to credit. The amount advanced is usually regulated by the financial standing of the borrower and the extent to which the lender is prepared to trust him. Most loans are made with collateral security. Produce is shipped and drawn against at 4 months' sight generally, and the bill is accompanied by the bill of lading and the usual documents of hypothecation. These

bills are generally under home credits, with 10 per cent. margin below invoice cost. In this way nearly all of the home trade is conducted. It would be difficult to state with any certainty the entire value of the trade, as it varies from year to year, but the total value of native produce exported to foreign countries in the year 1882 is set down in the customs returns as 13,913,646 Haikwan taels, or about \$17,000,000, but this does not include all the Hankow tea which is financed from this port.

It is still more difficult to give an estimate of losses incidental to business among the Chinese. The subject is unapproachable, as only a few isolated cases have been brought to the notice of the public, and these, fortunately, are, in a majority of cases, met by composition or closed up under inspection.

Foreign tradesmen will give short credit to any person of decent character and position. Our mechanics and laborers are natives who have neither money or inclination to patronize the foreign stores. No doubt they get credit with their own people when known as customers.

Cash buyers get but little advantage in the way of a reduction in price, as the storekeepers prefer their usual system, upon which their calculations of profit are based.

Interest is chargeable on all accounts for a term. The general rate with foreigners is 8 per cent, while among natives the usual rate is 12 per cent.; but this varies on short loans with stringency of the money market.

The evils of credit as existing are more or less felt by all, not directly perhaps; but that the system has a tendency to promote a more lavish expenditure and speculation to a larger extent than is compatible with safety there are too many instances. Time bargains for shares have worked sad havoc with many who, without a cent beyond a modest salary, have been tempted into transactions by the fact that no money was necessary unless the business failed. As regards the credit system as applied to legitimate trade, it appears to have fostered competition by enabling many who were not possessed of the necessary capital to compete on equal grounds with those whose capital was embarked in the enterprise and so reducing the profits of the business, to say nothing of the evils arising from overstocked markets on the home side.

That a person who has once failed can resume would depend on the circumstances of his failure, and whether he could obtain a discharge, either privately or through the courts, from his outstanding liabilities.

The various foreign nationalities, except the United States, have bankruptcy laws, which are enforced here against their nationals, those of Germany being very strict, the others perhaps rather less so. Bankruptcy is not of frequent occurrence, and in most cases such matters are arranged among the creditors as affording the least expensive remedy and best means of saving the existing property for the creditor. There never was such a law in existence among the Chinese as a bankruptcy law.

Fortunes are more readily lost than made in these degenerate days, and the bulk of the gains have been from fortunate speculations apart from the legitimate trade either in land, which has offered very favorable results to investors, or in shares in local companies, in which there have been some extensive and fortunate coups. The legitimate trade in imports and exports has not, during the past years, met that uniform success which is the real basis of accumulated wealth, though it would be hard to say the real cause, which is variously attributed to too great facilities of credit, overtrading, and the influence of the improved telegraphic communication, which has a tendency to supplant the old order

of things with a new system of trade, which has rendered the holding of stocks at home unnecessary, at least in anything like the proportion which formerly existed.

The general effects of credit are of a mixed character. Without credit the operations in the East would be confined within much narrower limits, but the community would suffer in the enhanced value of necessities and luxuries, which are, under the existing circumstances, furnished at a moderate cost. On the other hand, the abuse of credit, while it cheapens the articles of export to the consumer, does so at the expense of the merchant, by fostering such a close competition in all branches of trade that profits are reduced to a minimum, while from the large quantities sent forward the home markets are in too many cases glutted, and the results, in consequence, unsatisfactory.

The credit system, from the banker's point of view, is no doubt very satisfactory, looking to the flourishing returns made by these establishments, but there is reason to suppose that the advantage ordinarily is confined to the banks, and that the profits in many cases go to swell their coffers, while the trader or speculator has his trouble as the sole remuneration for his pains.

O. N. DENNY,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Shanghai, September 21, 1883.

CANTON.

REPORT BY CONSUL SEYMOUR, OF CANTON.

CHINESE BUSINESS SYSTEMS.

I have the honor to state, in reply to a circular received from the State Department requiring information in regard to the credit system in business, that it seems to be the custom in Canton, and, so far as I can learn, throughout Southern China, to extend liberal credits in business transactions, and with comparatively little inconvenience or disappointment in settlements, which are generally made semi-annually.

Before the beginning of the new year, which is in the second week of February, the seals are almost universally locked up, and remain so during that month. It is customary to affix the vermilion seals to all receipts for money payments, according to the commercial customs of the nations with which the Chinese had commerce over twenty centuries ago, including not only the Romans and Persians, but the Babylonians. The closing of the seals implies that all business matters have been adjusted; and such is the fact with rare exceptions.

It is almost universally assumed in this part of China that the business or pecuniary obligations of all solvent individuals, firms, and companies will be honorably met and fully discharged before the end of the Chinese year. All delinquents then pass into the dishonored class, and are soon put under process of coercive termination of a business career, and are subject to punishment by bamboo blows.

By reference to the Chinese penal code, it appears that the act of obtaining property under false pretenses is treated as theft, both as to the nature of the crime and the severity of punishment. No dutiful son feels absolved from discharging his father's debts. Adversity occa-

sioned by unavoidable circumstances is regarded with indulgence; failure caused by profligacy or hazardous ventures or recklessness admits of no countenance.

Besides the annual settlements, which are full and clean, it is customary among commercial men to demonstrate their solvency, and promote their mutual safety and comfort, and approximately cover all balances to their mutual satisfaction in the middle of the Chinese year, or about the first of August.

Thus, by semi-annual settlement, all Chinese business concerns with any pretensions to solvency and solidity attend regularly and sacredly to these customs, which serve to inspire all concerned with mutual confidence, and this observance of good faith gives every man a feeling of security which results in solid credit and commercial safety.

A well-known and verified case of strict regard for good credit among the Chinese merchants might be cited in the action of an extensive and opulent merchant named Houqua, who was, during the middle of the present century, a leader in the commerce of Canton, and left an estate variously estimated at from twenty-five to fifty millions of dollars.

On the occasion of a Chinese firm failing, with large indebtedness to foreign merchants, under circumstances that were deemed dishonorable, Houqua called upon half a dozen wealthy merchants to join him in paying off the total indebtedness of the insolvent Chinese firm, and headed the subscription with one million of dollars, remarking that "Chinese credit must remain untarnished."

This is the same Houqua who raised the portion of the six millions of "indemnity" or "ransom" which had to be paid by the Chinese authorities within forty-eight hours to prevent the bombardment of Canton by the English, when Houqua cheerfully contributed "\$1,100,000; \$100,000 of which he gave in recognition of the fidelity of his son, \$200,000 of which he donated in token of the affection of his beloved wife, and \$800,000 as a thank-offering for the prosperity that had invariably attended him in his commercial enterprises," as appears on public record.

CHARLES SEYMOUR,
Consul.

UNITED STATES CONSULATE,
Canton, China, November 7, 1883.

CHIN-KIANG.

REPORT BY VICE-CONSUL BERGHOLZ.

In compliance with the instructions contained in Department circular of May 15, 1883, I have the honor to make the following report:

A system of credit, more or less complete, has existed in Chin-Kiang for at least a century, and this in the face of strict and carefully worded laws of the Empire regulating expenditure and business generally. At times these laws have been attempted to be enforced, but they are now ignored by all classes.

All merchants and bankers of good standing would greatly prefer and have often agitated for a ready-money basis for all transactions, but they are, however, powerless to carry out such a reform without official aid, so they have long dismissed the subject as impracticable. On the other hand, small tradesmen are only too ready to encourage credit, and their customers freely avail themselves of it.

This credit basis pervades all classes and enters into every kind of purely Chinese business. From the largest Government contract to the pettiest shop dealing trust is freely given, and it is indeed the only means of conducting business. Trade is certainly stimulated in consequence, but frequently to an unhealthy extent, as it induces excessive competition among merchants in giving easy terms to their customers, and the result is in many cases heavy failures and general depression in business for some time afterwards.

The trade of Chin-Kiang in foreign manufactures is very widely extended and supplies districts in the adjacent provinces at distances of from five to eight hundred miles. Merchants from these parts come down periodically to buy, and pay, as a rule, 50 per cent. in cash for the amount of their purchases, the balance to be settled on their next visit before any further transactions are entered into. This system, of course, frequently leads to difficulties and misunderstandings. These creditors are fairly well secured by their brother merchants, who are, to a great extent, responsible in case of failure, but these securities are frequently eluded, and the distance and slow communication render it difficult to bring them to account.

Small transactions are supposed to be balanced at the settling days in June and September, but the final settling day for all transactions is at the Chinese New Year, occurring in February. A creditor who has an account open at this period is generally avoided and finds it difficult to obtain credit in future.

This credit system being now so integral a part of all Chinese trade, the advantage of cash payments is not fully realized, and therefore no special scale of discount is provided, but not more than $1\frac{1}{2}$ per cent. is usually allowed except at the New Year period, when exceptional advantages can be obtained by cash buyers.

No interest is charged on balances, as they are sure to be closed at one of the setting days; in lieu of this, interest is generally added to the selling price.

No particular class is affected by this credit system. It is alike bad for all, but more failures at the New Year are reported among small tradesmen than among the merchant class.

The middle class and small officials frequently borrow money on title-deeds of land and house property. Bankers and large land-owners, if in temporary difficulty, get assistance among their friends on personal security.

Practically there are no bankrupt laws. If a man of good reputation fails, he is, as a rule, assisted by his creditors and can at any time resume business. But everything must be left to them. In fact, a bankrupt is completely dependent upon his creditors for terms of discharge. Should he prove to their satisfaction that he has given up everything, and it does not appear that he has been doing business knowing he was a bankrupt, and after a strict investigation there are no suspicious circumstances, he will, as a rule, be free from further pressure, though he is expected to liquidate everything when his means allow. On balances of this kind it is usual to require a small rate of interest.

Considering the dense population of China and the somewhat lax way that business is conducted, there are wonderfully few bankruptcies. These occur usually at the Chinese New Year.

The laws against bankrupts are theoretically very severe, a failure of \$1,500 to \$5,000 entailing banishment, and from \$5,000 upwards summary decapitation. No distinction is made between fraudulent bankruptcies and unavoidable ones.

Sudden acquisition of wealth or great losses are rare in this district, as enterprise of all kinds is so stifled by official interference and exactions that few have the scope or energy to make large returns. It is difficult to see any future for the business of this place, either among Chinese or foreigners, until this credit system is put an end to.

It is the main obstacle in the business relations between foreigners and natives, as when the latter give credit they demand it, and the foreigner, finding it most difficult to get proper security, he is unable to engage in any but the most limited transactions, and those of a sufficiently precarious nature.

LEO BERGHOLZ,
Vice-Consul.

UNITED STATES CONSULATE,
Chin-Kiang, September 18, 1883.

FOOCHOW.

REPORT BY CONSUL WINGATE.

1. Does credit stimulate trade?

It must certainly do so. The people say it would be impossible to carry on a strictly cash business.

2. Are people averse to contracting debts?

The answers which I obtain to this question are quite conflicting. I judge that almost any Chinese will readily contract a debt if he can see a possible benefit thereby.

3. Are there any sumptuary laws or regulations concerning credits?

There are none.

4. To what extent does credit prevail in proportion to the volume of business?

One answer which I have received is, that the sales on credit do not amount to more than three-tenths of the trade. Another, referring to the numerous banks which issue paper money, says:

With these bankers not only ready but eager to advance money, it is needless to say that the merchants are not averse to extend their business by the money advanced to them. Thus probably more than one-third if not one-half of the capital of the merchants at Foochow is merely credit of this description. A firm of sufficiently good standing generally does business to the extent of nearly five times the amount of its actual capital.

5. To what extent do losses incidental to business prevail?

It is impossible to give any exact information upon this point. I do not think failures of shopkeepers are as frequent here as in the United States. One of my informants thinks that of credits given at Foochow the shopkeepers cannot collect on an average more than 70 or 80 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

They do.

7. What advantage have cash buyers?

At retail shops goods are nominally sold as cheap for credit as for cash. But the poor man with money probably has an advantage over the one without it. At wholesale shops a discount is sometimes given, but there is no fixed rate. Almost every large or important transaction is effected through brokers or middlemen, who are quite likely to absorb everything possible in the way of discounts or commissions.

8. Is interest demanded on time accounts?

Never. There are three times in each year when accounts and debts

of every nature must be settled, viz, the 5th day of the 5th moon, the middle of the 8th moon, and the last day of the year. At the first two periods accounts are allowed to run on upon payment of 7 or 8 per cent., but at the end of the year the rule is to pay in full.

9. With what classes are the evils of credit most conspicuous?

Probably with those which do business on borrowed capital. One of my informants says, "With those who have no money, but pretend to have." A very usual occasion of running into debt of persons not in business is the marriage of an only son or the death of a near relative. Weddings and funerals are very expensive to respectable families, and if they have not the means to defray this expense they run into debt. I have heard of a man being in debt all his life from having borrowed money to defray the expense of his mother's funeral.

10. What kind of produce or manufactured articles command cash returns?

There are no articles for which credit is not sometimes given, but the necessities of life are more usually paid for at once than are articles of luxury. Rice here, as flour used to be in New England country stores, may be called a cash article, whereas articles of luxury are most frequently sold on longer or shorter credit.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Mortgages of real estate are made to some extent, but they cannot be said to be as prevalent as in the United States. Those who own land or houses dislike to part with them. A poor family with an old house or some ancestral property, obliged to raise money, will do so upon mortgage. A mortgage is often preliminary to a sale. A judgment of a Chinese court would, I imagine, be a very uncertain security; as we understand them I do not suppose they exist. Deeds, however, and every species of personal property are pawned to raise money or given as security for debt. The pawn-shop is most useful, although its rate of interest is very high.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

He can resume business if his matters have been settled by an official, or by his friends, to the satisfaction of his creditors. But even an official has no power to force a creditor who will not consent to the arrangement.

13. Is bankruptcy frequent?

My informants say it is.

14. To what extent do relief acts in bankruptcy prevail?

There are no bankrupt or insolvency laws.

15. Are fortunes readily made and lost?

They are not easily made, but reckless traders have no difficulty in losing them.

16. What are the general effects of credit?

Credit makes trade possible at Foochow, and tends to sharpen the wits of the tradespeople. It also leads to much wrangling and village fighting in connection with the collection of debts.

In connection with this subject of credit, I may refer to the Foochow banks, which furnish so large a portion of the money with which business is done. Banking and the issue of paper money is a very old institution at this port. I am informed that there are 140 banks which do a local business in the city and suburbs. Of these there are:

1st. Twenty banks, with an average capital of \$70,000, which issue bills of from \$1 up to \$100, and even up to several thousand dollars or

taels; but these larger bills are not put in general circulation, being issued at the special request of the bank's customers.

2d. Thirty banks, with a capital of, say, \$5,000 each, which issue bills of the value of 400, 500, 600, and 1,000 cash, and also from \$1 up to \$100.

3d. Seventy banks, with a capital of, say, \$1,500 each, which issue bills of 300, 400, 500, and 600 cash, and also from \$1 up to \$50.

4th. Twenty banks, with a capital of \$400 or \$500 each, which issue bills of 200, 400, and 600 cash, and also from \$1 up to \$10.

Besides these there are numerous exchange or cash shops, with a capital of \$100 to \$200 each, which issue notes of the value of 100 cash only. These 100-cash notes have been issued only during the last fifteen or sixteen years, and were first made for the accommodation of those making cash presents of that sum to children and servants at the Chinese New Year; but, being found convenient, their use has continued and increased. The Chinese greatly prefer paper money to silver, since they can safely carry it on their persons without attracting attention. There is no Government control or supervision of these banks, and whoever has the means can establish a bank without any legal preliminaries.

The banks of the first class, as above noted, are all located in chief centers of Chinese trade, and constitute a guild which in a great measure regulates the rate of interest and other matters of mutual benefit. The smaller banks are compelled to govern themselves in a great measure by the action of this bankers' union.

The regular rates of interest charged by these banks are from 12 to 18 per cent. per annum. The interest charged at the licensed pawn-shops is from 2 to 3 per cent. per month. Any merchant or trader being recommended by his fellow-merchants and keeping accounts with the banks can overdraw his accounts to a certain extent, but the person who gives the recommendation is not held responsible for the payment.

Some twenty or more years ago, after the failure of a large bank, the Government, in order, as it said, to afford some protection to the people, established a bank, but by dishonest management it soon fell into discredit, and after having done much mischief to the currency it ceased to exist.

Besides the above-named local banks there are in the city one Hang-chow and two Shensi banks. These issue no currency, their principal business being making loans and selling bills. During the tea season they often loan money to the local banks. The Shensi banks have agencies in all the other provinces and in Hong-Kong.

I need hardly say that the answers to the foregoing interrogatories and the remarks on banks relate solely to Chinese matters, and are not intended to apply to business as conducted by foreign merchants or banks.

J. C. A. WINGATE,
Consul.

UNITED STATES CONSULATE,
Foochow, February 8, 1884.

HANKOW.

REPORT BY CONSUL SHEPARD.

In answer to circular of May 15, regarding the system of credits prevailing in this consular jurisdiction, I have the honor to report:

I have given special attention to the matter and have made personal

inquiry of all parties of whom information could be obtained. Merchants, both native and foreign, officials, and others presumed to have knowledge of the matter have been consulted, and the commissioner of customs has rendered me special service by communicating the result of his own inquiries, suggested by my applying to him for aid.

Credits in trade exist in this district to a large extent among the natives, and, as near as I can ascertain, probably four-fifths of the volume of business is so transacted.

Days of settlement occur at three stated periods in the year, viz, the fifth day of the fifth moon, the fifteenth day of the eighth moon, and the last day of the year.

The New Year's settlement is the final adjudication and expected payment of all dues among all classes; the solvency or insolvency of debtors is determined by their ability or inability to meet their obligations at that date.

Liabilities falling due at the earlier periods are very often protracted to the great settling time, interest being added to postponed accounts according to the nature of the transactions and the kind of merchandise involved, as well as the mutual relation of the parties.

There appears to be no fixed rate in such cases, as low as 5 per cent. per annum being received, and as high as 2 per cent. per month being exacted. Twelve per cent. is regarded as legal interest, but most transactions are at 8 per cent.

It is often the case that debtors merely change the creditor at the first two periods of settlement, borrowing readily from banks or individuals to pay for the merchandise and continuing the debt. Postponement of settlement at these dates is not regarded with favor, it rather suggesting a weak debtor, and as a rule the party who asks it is not readily trusted for other purchases. In addition to the three days of settlement mentioned, the fourteenth day of the moon is a date on which payments are expected for short credits. To meet these short credits, very frequently loans from the banks are made at a rate for a few days sometimes as high as 4 per cent. per month. But such rates are rare.

Undoubtedly credit stimulates trade and largely increases its volume. On a capital, for instance, of 40,000 taels a business will be done of at least 200,000 taels. As in other countries, the tendency to extend operations on a good credit is constantly felt, and practiced to an unlimited extent. Serious losses often occur in consequence, but to what extent and in what proportion to the volume of trade I have found it impossible to discover, and an opinion guessed at would have no value.

Bankruptcy is very common, and no sumptuary laws exist concerning credits; nor do I find that any relief act in bankruptcy exists in all China, nor, indeed, any laws on the subject. As a rule, creditors are disposed to compromise and effect percentage settlements, in bankruptcy cases where no suspicion of fraud or indirection exists. In such cases, also, where the failure is not the result of actual bad management or want of ordinary caution and judgment, the debtor is often aided to go on again. The readiness to settle by percentage is accounted for by the fact that much more is realized in this way than would be by attempting to exact fuller payment through appeal to official intervention. While there are no bankrupt laws, officials will interfere on application, proceed against the debtor as a criminal, even though no direct law has been violated, and administer on the effects. But the rapacity of a Chinese official is undeniable and proverbial. Office is taken for the purpose of making money, from high to low. Hence, in addition to the often cruel treatment of a debtor, such exorbitant charges,

fees, exactions, and speculations are practiced to satisfy the cupidity of the officials that little is left for the creditors. Creditors thus keep clear of any official interference except in cases of undeniable fraud and rascality, and then the object is rather the punishment of a criminal than the collection of dues. Such bankrupts can never operate again in regions where they are known.

Credits of record are numerous, mostly confined to mortgage of real property. I do not find that "judgments," as known in civilized countries, are known. A mortgage to be of value must be accompanied by the original deed, which must be examined at the magistrate's office to test its genuineness. Deeds are often forged, and probably more forged ones exist than genuine, and mortgages are often negotiated on forged deeds, through neglect of the money-lender to investigate the validity of his security, which would cost him a fee. The true deed holds the mortgage that it accompanies, and other mortgages on the forged deeds are paid from surplus of value, if any exists, on the property. These mortgages are mostly among the trading classes, officials ordinarily not needing their aid, and the coolie class being too impecunious to handle them.

Tradesmen do not credit mechanics and laborers. The resources as well as needs of these are very small, and their purchases are made for literal "cash." The trade with foreigners is in effect for actual cash.

The great interest in Hankow is tea, which, as far as the Chinese are concerned, is strictly sold for cash. It is collected in the interior from the producer in small quantities, by native brokers who pay on delivery. These brokers make up the lots, or "chops," from these collections, shipping them to Hankow, paying *lekin*, freight, customs dues, &c., and putting the tea on the market. The sales are made to foreigners, who pay at once for their purchases by bills on London, negotiated here by the agencies of foreign banks. As a rule, these foreign buyers are mere brokers for friends at home. As a rule, I learn that the native broker in selling the tea requires an advance of about 40 per cent. over the first cost paid the producer, in order to cover all the costs in getting the tea to market. In the same way other native produce for export, as silk, hides, white wax, and other articles are collected and paid for in cash. The collectors doubtless sell on credit, for generally only natives are owners and traders in these articles. All freights are also payable in cash, on bills usually presented at the end of calendar month.

CHINESE BANKING SYSTEM.

The banking system may be properly noted as coming in as an adjunct to the business system. There is no such thing as a bank proper in all China. The Government gives no official sanction to any institution of the kind and coins no money except the copper "cash." All banks are, therefore, mere private affairs, and, properly speaking, not banks at all. Their operators are mere private bankers. The immense collections of the foreign customs are thus deposited in private hands—a standard firm, who farm the privilege of using, receiving, and paying these funds from the Government. The largest banks are said to get their capital from retired officials, who are expected to amass fortunes during their terms of office. These are, in fact, the bankers, and their emoluments are from the profit of the business. These large banks lend out their funds to smaller ones, who deal in turn largely with brokers, who lend to traders mostly on personal security. Sometimes, but rarely, real property is mortgaged as collateral. The rates of inter-

est at the banks vary as in other countries. Long loans on good names can be obtained at 8 per cent. Short loans from 10 to 36 per cent., according to circumstances and customers. I have seen it stated in American newspapers that a failure of a bank in China is never known. This is true in one sense, for there is no bank to fail. But failures of so-called banks are very common. I have known of several in Hankow alone.

ISAAC F. SHEPARD,
Consul.

UNITED STATES CONSULATE,
Hankow, September 8, 1883.

TIEN-TSIN.

REPORT BY CONSUL ZUCK.

I have the honor to acknowledge the receipt of dispatch of the honorable Assistant Secretary of State, dated May 15, 1883, addressed to the consular officers of the United States, submitting certain interrogatories prepared by the Board of Trade of Scranton, Pa., and requesting answers thereto. In reply, I have to say that if the interrogatories are applicable to the Chinese, their rules and regulations and their method and system of doing business are so intricate and entirely different from those prevailing in any other civilized land, it is impossible to give intelligent answers. If, on the other hand, they are intended to apply to foreigners here, this is not a port of direct shipment, and Shanghai is the great commercial center for North China, and there are located the banks of the country. It is only within the last two years that we have had a bank at this port.

The business in the hands of foreigners here is confined to one American firm and some half dozen German, English, and Russian firms, who are doing chiefly, if not entirely, an export business.

At this port we have no board of trade, chamber of commerce, or other association through which any data can be obtained, and as the business is almost entirely done by the Chinese, it is vain to look in that quarter for information.

The business transacted among the Chinese, when credit is given, is considered a debt of honor, and, according to their custom or usage, all these debts must be canceled at the end of the year, or the defaulting party lose caste. Bankrupt laws are not known, as they have none such in China. The merchandise bought at this port for export is paid for in cash, the purchaser drawing on his consignee against the shipments. The chief articles of export to America are straw braid, goat-skin rugs, camel's hair, and feathers. The chief articles of import from America are drills, jeans, sheetings, and kerosene, and, latterly, canned fruits and flour are being imported to some extent, but only for foreign consumption.

JAS. C. ZUCK,
Consul.

UNITED STATES CONSULATE,
Tien-Tsin, September 4, 1883.

CONTINENT OF AFRICA.

CANARY ISLANDS.

REPORT BY COMMERCIAL AGENT M'KAY, OF TENERIFFE.

The circular of May 15 last, asking for information as to the credit system and its influence on business in these islands, is before me, and replying in approximate order to the various queries, I beg to report:

I find that credit stimulates overtrading, and that people are not averse to contracting debts, owing, in fact, to want of stringent laws in respect thereto.

Trading on credit probably reaches 60 per cent. of the business done, and as credit leads ignorant and inexperienced people to engage in business beyond their mental and metallic capacity, the losses through it are probably as much as the gains.

Merchants do not readily trust mechanics and laborers.

Cash buyers have from 3 to 5 per cent. advantage over time buyers.

Interest is seldom exacted on time accounts, even when collected after due date.

The evils of credit are mostly seen in the small retail dealers.

Almost all the agricultural products are sold for cash, wine being the only article sold on time to any extent.

Credits of record are almost unknown in their scarcity.

The Spanish code rules in mercantile failures, and only in case of gross fraud is a man prevented from engaging in business again.

Bankruptcy appears to be more frequent in proportion to the business done than in other countries.

As before remarked, the Spanish code governs mercantile failures, and only to the extent it allows do relief acts prevail.

We have no great fortunes among us, but in as far as our wealth goes fortunes are very seldom suddenly made, whereas they are more frequently lost in a short time, the balance against the province going into the pockets of foreign creditors.

A judicious system of credit would probably be beneficial in the long run, but, as now exercised, chiefly through traveling salesmen from Europe, whose object is to sell all they can, it leads to overstocking the market and ultimately to the ruin of the greater part of the traders.

H. B. M'KAY,
Commercial Agent.

CONSULATE OF THE UNITED STATES,
Teneriffe, July 30, 1883.

LIBERIA.

REPORT BY CONSUL-GENERAL SMYTH.

In reply to circular dated May 15, 1883, in which you are pleased to state that it has been represented to the Department by the Board of Trade of Scranton, Pa., that reports on the system of credits which

prevail in, and their relation to and effect on the general prosperity of, the several countries would be greatly appreciated by the financial and industrial interests of the United States," I have the honor to submit, respectfully, the following in way of report:

I may say that I am indebted for the principal facts to Col. R. A. Sherman, one of the leading and most respected merchants of the Republic.

1. Does credit stimulate trade?

It does to a great degree in Liberia. Quite three-fourths of the business of the country is done on the credit system. Trade has been greatly developed within the last eighteen years on this system. As an illustration of this, eighteen years ago there were four small steamers of 900 tons burden running from Liverpool, and they called once a month at only one port in Liberia, namely, Cape Palmas, to land nails and to get Kroomen; but now there is a fleet of more than forty steamers, with an aggregate of 60,000 tons, running from Liverpool, London, and Hamburg, calling at all the principal ports in Liberia, not merely to bring mails and get Kroomen, but to bring and carry freight.

2. Are people averse to contracting debts?

Some few persons are, but a very large majority of them are not, but are willing to accept credits on liberal terms.

3. Are there any sumptuary laws or regulations concerning credits?

There are no sumptuary laws existing in Liberia. Each man expends according to his income or circumstances, there being no legal restrictions other than are by circumstances imposed.

4. To what extent does credit prevail in proportion to the volume of business?

This may be regarded as answered in No. 1, where I state that three-fourths of the business is done on the credit system.

5. To what extent do losses incidental to business prevail?

This question may not with certainty be answered. There is no record kept of losses, hence nothing more than an approximate answer can be given. It may be safely stated that the failures do not exceed 20 per cent.

6. Do tradesmen extend credit to mechanics and laborers readily?

Mechanics and laborers rarely require much credit, but the farmers, by far the largest class, get considerable credit from the merchants on their crops of sugar, coffee, ginger, &c.

7. What advantage have cash buyers?

In general they are allowed a discount of 2½ per cent. on cash payments.

8. Is interest demanded on time accounts?

Interest is never charged on book accounts, but always on notes of hand after maturity.

9. With what classes are the evils of credit most conspicuous?

These are not confined to any particular class, but exist among all classes—merchants, farmers, and native African traders.

10. What kind of produce or manufactured articles command cash returns?

Cash returns are had from rubber, palm kernels and oil, camwood, coffee, and ivory.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Mortgages are seldom given, because rarely demanded, but when traders or farmers are anxious to secure credit and cannot get it other-

wise they mortgage their real estate. Few chattel mortgages are given. Mortgages and judgments are recorded.

12. When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

When a person in business fails he must make an assignment of all his property, except one bed, one table, two chairs, cooking utensils, and so much wearing apparel as is privileged from execution, for the benefit of his creditors, and appear before some court of competent jurisdiction and make oath that his assignment is true and correct; and he must enter into bond with good sureties, and he cannot resume business for three years after the assignment.

13. Is bankruptcy frequent?

Bankruptcy is seldom heard of among Liberian merchants.

14. To what extent do relief acts in bankruptcy prevail?

This is answered in No. 12 as fully as it can be answered.

15. Are fortunes readily made and lost?

Fortunes are not readily made in Liberia, but they are readily lost. Men of sufficient energy and experience often accumulate a competence after a few years of hard labor.

16. What are the general effects of credit?

The country at large is benefited by judicious credit, which enables the merchant to extend his business operations, the farmer to enlarge his agricultural interests, and thereby develop the natural resources of the country.

In a word, it assists all branches of industry, and without credit three-fourths of the entire business of the country would become paralyzed.

JAMES H. SMYTH,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Monrovia, August 20, 1883.

MADEIRA.

REPORT BY CONSUL DU PONT SYLE, OF FUNCHAL.

1. Does credit stimulate trade?

Yes; always.

2. Are people averse to contracting debts?

No; the people seem anxious to contract debt.

3. Are there any sumptuary laws or regulations concerning credits?

None whatever. Such laws would be contrary to the genius of the Portuguese people.

4. To what extent does credit prevail in proportion to the volume of business?

It is impossible to answer this question exactly. Roughly, I should say three-fourths of the business of the place is done on credit.

5. To what extent do losses incidental to business prevail?

To a considerable extent. There is no means of ascertaining to exactly what extent.

6. Do tradesmen extend credit to mechanics and laborers readily?

No.

7. What advantage have cash buyers?

Absolutely none.

8. Is interest demanded on time accounts ?

No.

9. With what classes are the evils of credit most conspicuous ?

With the shopkeepers.

10. What kind of produce commands cash returns ?

Sugar-cane.

11. Are credits of record (mortgages, judgments, &c.) prevalent ?

Yes.

Among what classes ?

All owners of real estate.

12. When a person in business has once failed or been discredited, can he resume ?

Yes.

What are the obstacles to such resumption ?

Very few, and these are rarely enforced.

13. Is bankruptcy frequent ?

Yes ; during the last ten or fifteen years, owing to the decreased production of wine, the chief export.

14. To what extent do relief acts in bankruptcy prevail ?

Relief is extended to almost any one.

15. Are fortunes readily made ?

There are no fortunes to be made in Madeira since the decline in the wine trade. Everybody is poor.

16. What are the general effects of credit ?

Frequent loss to the creditor, encouragement to the debtor to increase his debts, and general laxness in the transaction of business.

L. DU PONT SYLE,

Consul.

UNITED STATES CONSULATE,

Funchal, July 10, 1883.

MAURITIUS.

REPORT BY CONSUL PRENTIS, OF PORT LOUIS.

1. Does credit stimulate trade ?

Upon this point opinions differ. As a rule, though not without exceptions, I am of opinion that it does. Without it wholesale transactions would be accomplished with difficulty. As in other countries, the import and export trade are based both upon *bona fide* credits with well-known firms and hypothecation of shipping documents with others. Hypothecation, again, is based upon need of money on shipper's side and want of confidence in the stability of the consignee. With regard to the internal trade of the island, the banks and credit companies trust the merchant and the planter ; the merchant trusts the shopkeeper ; the shopkeeper, with exceptions, trusts his customer.

2. Are people averse to contracting debts ?

Yes and no. There are persons who sedulously strive to keep out of debt ; but, as a rule, the majority are ready to contract debts.

3. Are there any sumptuary laws or regulations concerning credits ?

I am not aware of any special enactments in this direction.

4. To what extent does credit prevail in proportion to the volume of business ?

To a very considerable extent. The trade of the island rests upon

the manufacture of sugar, and three-fourths, at least, of the plantations work upon the system of "advances." Proof: all the sugar manufactured comes up to town as quickly as made and goes into dock warehouses, the warrants of which are handed over to banks and other creditors.

5. To what extent do losses incidental to business prevail?

In wholesale transactions to a less extent than in many other places. The failure of a large house is uncommon. Failures generally occur amongst the Chinese, Arab, Indian, and retail traders. The Chinese are occasionally given to swindling. But, considering the great number of retail dealers, I consider the number of failures compare very favorably with those in many other countries.

6. Do tradesmen extend credit to mechanics and laborers readily?

As a rule, no. The bulk of this class deal with the Chinaman, who is their grocer; the Indian or Arab, who are their drapers and clothiers; whilst meat, fish, fruit, and vegetables are purchased in the public market, and always for cash. The Indian, I believe, trusts rarely. The Chinaman trusts those he knows to the extent of a dollar—perhaps two dollars; that is all.

7. What advantage have cash buyers?

In the wholesale trade, the usual discount; in the retail trade, the advantage of choosing the cheapest establishment. Retail discounts are unknown here.

8. Is interest demanded on time accounts?

Rarely, if ever.

9. With what classes are the evils of credit most conspicuous?

The middle classes; the tendency amongst them being to live far beyond their means until credit is stopped, and then the usual struggle begins.

10. What kind of produce or manufactured articles command cash returns?

The answer to this question will be found in my reply to query No. 6.

11. Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what calasses?

I cannot say.

12. When a person in business has once failed or has been discredited, can he resume, and what are the obstacles to such resumption?

The usages prevailing in the United States, England, and similar countries with regard to such cases may be accepted as holding good here.

13. Is bankruptcy frequent?

My answer to query No. 5 may serve as a reply to this question.

14. To what extent do relief acts in bankruptcy prevail?

I cannot say without reference to numerous local ordinances. But it may be stated generally that the bankruptcy laws of the colony are commonly inveighed against as being far too lenient.

15. Are fortunes readily made and lost?

Speculation is almost unknown here. Hence, it follows that when a fortune has been made the process has been gradual; the same rule applies to its decay.

16. What are the general effects of credit?

See my replies to queries Nos. 1, 4, and 9.

THOMAS J. PRENTIS,

Consul.

UNITED STATES CONSULATE,
Port Louis, September 18, 1883.

SIERRA LEONE.*REPORT BY CONSUL LEWIS.***1. Does credit stimulate trade ?**

In my consular district credit does not stimulate a healthy and permanent trade.

2. Are people averse to contracting debts ?

Not at all. Nine-tenths of the population will contract as many as they can, and they are not like the man who walked his room all night because he had a note to pay next day and no cash to pay it.

3. Are there any sumptuary laws or regulations concerning credits ?

There are none.

4. To what extent does credit prevail in proportion to the volume of business ?

From 30 to 40 per cent., as near as I can judge.

5. To what extent do losses incident to business prevail ?

In many cases very heavy losses occur from giving credit, and particularly when the giving of credits is intrusted to agents lately arrived and who are anxious to do a large trade. This class make for their principals the heaviest losses, but a cautious man, who has resided here two or three years and knows the people and their ways, can frequently give large credits with safety, but he must know with whom he is dealing.

6. Do tradesmen extend credit to mechanics and laborers readily ?

They do not, but quite the reverse. They are like the burned child; they have done it, but don't want to do it again. Experience teaches them it does not pay.

7. What advantage have cash buyers ?

They are always welcome, and can buy goods from 5 to 20 per cent. less than credit purchasers obtain the same goods.

8. Is interest demanded on time accounts ?

Bill-heads read so, but to my knowledge it is not enforced unless a man asks for long credit and makes a special arrangement.

9. With what classes are the evils of credit most conspicuous ?

With the poor class, and particularly small traders, as the risk is greater with them; and as they have everything to make and nothing to lose, they chance it without regard to prices or consequences. However, credit is disadvantageous to all, more or less, as its tendency is to encourage extravagance in quarters where strict economy should be practiced. It also tends to make purchasers less careful of what they buy, and the amount; consequently they soon find themselves incumbered with a surplus of unsalable and perishable goods, occasioning inevitable loss, whereas if they had bought for cash they would have purchased less and selected more suitably. The tendency of the system is bad.

10. What kind of produce or manufactured articles command cash returns ?

All African produce sells in Sierra Leone readily for cash at market rates—India rubber, gum copal, palm oil, palm kernels, benni seed, ground-nuts, dry hides, raw gold, chilly peppers, ginger root, ivory, coprah, cane wood, &c. There is not much in the way of manufactured articles, excepting for local use.

11. Are credits of record prevalent; and, if so, among what classes ?

The security of credits by mortgages of real estate is common. Such mortgages are generally given by the local traders or purchasers to the importer of foreign goods, or by the importers to the parties who supply them with goods abroad, or upon the loan of money.

12. A person who has failed in business and passed the examination of the insolvent debtors' court may resume business upon obtaining a certificate of discharge, which the court will grant upon the assets of the insolvent satisfying at least 6s. 8d. in the pound, or upon the majority of creditors agreeing to the grant of such certificate when that proportion of assets to liabilities is not secured. The absence of this certificate, however, does not as a matter of law restrain the right of resumption of business by an insolvent, but his after-acquired property will not be free from past liabilities.

13. Bankruptcy or insolvency is not frequent.

14. Relief in bankruptcy or insolvency is afforded in all cases, subject to the conditions mentioned in answer 12; but in addition a punishment not exceeding two years' imprisonment is inflicted on the insolvent where it shall appear to the court—

That such insolvent has contracted any of his debts fraudulently, or by means of breach of trust, or by means of false pretenses obtained the forbearance of any of his debts by any of his creditors, or has put any of his creditors to any unnecessary expense or any vexatious or frivolous defense or delay to any suit for recovering any debt or any sum of money due from such insolvent, or is indebted in costs incurred in any action or suit vexatiously brought or defended, or is indebted for damages recovered in any action for criminal conversation with the wife or for seducing the daughter or servant of the plaintiff in such action, or for breach of promise of marriage made to the plaintiff in such action, or for damages recovered in any action for a malicious prosecution, or for a libel, or for a slander, or assault, or battery, or malicious arrest, or in any other action for a malicious injury done to the plaintiff therein, or in any action of tort or trespass to the person or property of the plaintiff therein, wherein it appears to the satisfaction of the said court that the injury complained of was malicious, or if it appears that the insolvent's whole debts so greatly exceed his means of providing for the payment thereof during the time when the same were being contracted, reference being had to his actual and expected property, as to show gross misconduct in contracting the same.

15. Are fortunes readily made and lost?

Neither.

16. What are the general effects of credit?

Bad. Every man, woman, and child, with or without capital, desires to trade. They want credit, and if they sell the goods given them at a profit, and, after living out of the same, there is anything left, they will pay it in on account, taking more credit. In this way all poor people are enabled to live, not infrequently to the merchant's loss. When once credit is given to irresponsible parties, the tendency is to keep on giving, in hopes to finally get paid all; but the debtors are usually smart enough to keep well in debt, and at last a dead loss ensues. Many people, even, who have money will keep it lying idle and run in debt, purchasing on credit, paying higher rates than though they bought for cash, and keep you out of your money until the goods they have purchased are sold. The quickest way to lose customers is to give credit, for when they get hopelessly in debt they leave you and go elsewhere and pay cash. There are many objections to the credit system.

JUDSON A. LEWIS,
Consul.

UNITED STATES CONSULATE,
Sierra Leone, September, 1883.

SOUTH AFRICA.

REPORT BY CONSUL SILER, OF CAPE TOWN.

In reply to your circular-letter of May 15, and the interrogatories contained therein, I have the honor to state :

I. There has long existed a six months' credit system in commercial transactions throughout South Africa, which has certainly given some stimulus to trade, though trade based on this system has generally been regarded as unstable and precarious. Purchasers, however, as a rule, have availed themselves of the benefit of the custom, there being no sumptuary laws or regulations governing credits.

II. It would be safe to estimate that four-fifths of the larger commercial transactions and the greater part of the small ones of this colony have for several years past been conducted on this system.

III. There are no data on which to base any near approximation of the losses incidental to this credit system, but they have been very great, more especially within the last two years.

IV. Tradesmen extend credit to mechanics and laborers only who are known to have regular employment and are permanently settled.

V. Cash purchasers have the advantage of 5 per cent. discount on all sums over one pound sterling, though no interest is exacted on time accounts.

VI. The evils of the credit system are probably the most conspicuous with builders, manufacturers, and shopkeepers, but all classes are to a greater or less degree affected by it.

VII. Ostrich feathers, wool, forage, and nearly all kinds of farm produce command cash returns.

VIII. The mortgaging of real estate is of common and frequent occurrence here, and is resorted to by all classes of owners thereof for the purpose of effecting cash loans. The custom is probably the most prevalent with the farmers, who frequently require funds with which to carry on their work or for the purpose of restocking their farms.

IX. One who has formerly been recognized as a careful and upright business man, and who becomes insolvent through no alleged fault of his own, experiences no difficulty in resuming business, provided he can procure the necessary capital; indeed, it is not unusual for his creditors to furnish him the wherewithal for such resumption, with the hope that he may eventually be enabled to liquidate all his liabilities.

X. During the last eighteen months the insolvency courts of this colony have been overrun with business, and the amount of insolvencies embraced within that period aggregates several million pounds sterling. Under the existing law of bankruptcy a creditor may claim everything, real and personal, belonging to the delinquent, except his personal wearing apparel, though this extremity is seldom resorted to. The law as it now stands is regarded as very deficient in many respects, and the present parliament has under consideration a bill designed to remedy these deficiencies.

XI. Vast fortunes have been made here in a wonderfully short period of time, and not unfrequently lost in less than was employed in making them. This, I may say, is specially applicable to those who speculated largely in diamond-mining stock. By steady, legitimate business pursuits many large fortunes have been accumulated here, and are still in the hands of their founders. But the mania for acquiring sudden affluence has caused many to abandon the more certain but less attractive

channels of legitimate business for the diamond-mining stock market, and in most cases these ventures turned out disastrous.

XII. It is the unanimous verdict here that most part of the commercial depression from which this colony has suffered during the last two years and is still suffering may be traced, directly or indirectly, to this pernicious credit system. It has been the means of causing the importation of merchandise far beyond the demand for consumption, induced the farmer to strain his credit in order to indulge in luxuries which he could have well dispensed with, and has lured the poor man into extravagances of living which a strictly cash system would have forbidden.

When the first great crisis came, two years ago, there were few people in the colony who were clear of debt, and when the great commercial establishments began to totter and fall they necessarily dragged the smaller ones with them in the general ruin, and thus the disaster has been felt alike from the wealthiest citizen to the poorest mechanic.

JAMES W. SILER,
Consul.

UNITED STATES CONSULATE,
Cape Town, August 25, 1883.

ST. HELENA.

REPORT BY CONSUL MACKNIGHT.

1. Does credit stimulate trade?

There is neither trade, nor market, nor demand here which any commercial system could possibly stimulate or improve at present. The question here is not "What do we lack?" or "What can we obtain from abroad?" but "What can we do without?" The answer is simply that they can do without everything except a little rice, which is about as cheap as it is in China, large quantities being sold here by auction from several rice ships each year. The small traffic in the shops is principally done on a short-credit system, fortified by the very safe system (when there is little or no competition) of selling the most ordinary goods at the highest possible price.

2. Are people averse to contracting debts?

Not in the least. About 99 per cent. of the population are quite dependent, and will take all they can get on credit.

3. Are there any sumptuary laws or regulations concerning credit?

There are none.

4. To what extent does credit prevail in proportion to the volume of business?

At least two-thirds of the local trade is on one month's credit.

5. To what extent do losses incidental to business prevail?

As intimated in my answer to the first question, the shopkeepers sell their goods with a margin that reduces their losses from bad debts to a minimum. Losses incidental to business do not prevail to any great extent.

6. Do tradesmen extend credit readily to mechanics and laborers?

Yes; so much so that the wages of laborers are generally pledged to the shopkeepers from one to four weeks ahead.

7. What advantage have cash buyers?

Five per cent. in the case of ships touching for supplies. Others have no advantage.

8. Is interest demanded on time accounts ?

Not as a rule.

9. With what classes are the evils of credit most conspicuous ?

The laboring class.

10. What kind of produce or manufactured articles command cash returns ?

No kind whatever. The trade consists of the bare necessities of life, and credit must be granted, so deeply has the evil taken root, to enable the dealer to dispose of his commodities.

11. Are credits of record prevalent ; and, if so, among what classes ?

Such credits are very rare, and prevail among no particular class.

12. When a person in business has once failed, or has been discredited, can he resume and what are the obstacles to such resumption ?

He can resume with great facility. Instead of enforcing the British law requiring the bankrupt to pay 10s. 6d. in the pound, a local ordinance enables him to resume on the surrender of his visible estate to the satisfaction of the court. Thus, a man recently went into bankruptcy, settled his liabilities for 6½ per cent., and is now carrying on business as usual.

13. Is bankruptcy frequent ?

In proportion to the volume of business done here, perhaps it is.

14. To what extent do relief acts in bankruptcy prevail ?

To the extent of the ordinance above cited.

15. Are fortunes readily made and lost ?

No ; but might be easier lost and squandered than made here.

16. What are the general effects of credit ?

Injurious alike to those who accept and those who grant it.

JAMES A. MACKNIGHT,

Consul.

UNITED STATES CONSULATE,

St. Helena, August 16, 1883.

AUSTRALASIA.

VICTORIA.

REPORT BY CONSUL-GENERAL SPENCER, OF MELBOURNE.

In compliance with instructions contained in your circular-dispatch relating to the systems of credit which prevail within my consular district, and their effect on the general prosperity of the country, I have to submit the accompanying report. In doing so I desire to express my great obligations to Mr. Robert E. Wallen, the able editor of the Australasian Insurance and Banking Record, to whom I am indebted both for the form and substance of the information therein contained.

1. Credit undoubtedly stimulates trade. A cessation of the credit system would seriously hamper interchange between traders, and would greatly inconvenience consumers, who purchase from the retail dealers.

2. People are not averse to contracting debts; they readily undertake them, but in the large majority of cases with the full intention of discharging them. The failure to meet credit engagements bears but a small proportion to the whole volume of credit.

3. There are no sumptuary laws or regulations concerning credit, the colonial law generally following the law of England. According to Hamilton (the best text-book writer on Australian banking), "There cannot be a right to compound interest in mercantile accounts-current unless there is either a custom or an implicit contract to pay it. It is usage incidental to the relations of banker and customer. Accordingly, bankers are in the habit of making half-yearly rests, turning interest into principal, and it is conceived that this practice is valid and that the customer is bound by it." If a mortgage be taken, only simple interest is chargeable, except by express contract. A mortgage to bankers stipulates for the conversion of unpaid interest into capital half-yearly. There is a statute of limitation under which a debt unclaimed by the creditor for six years lapses, unless the debtor has been absent from the colony.

4. The extent to which credit prevails in proportion to the volume of business cannot be precisely stated. (See reply to question 10.) Business is largely conducted on credit. It may be said that all imported articles are sold on credit to those who sell to the consumers, and to the latter credit is also extended. In the first instance acceptances are given for periods from three to six months. In the case of manufactures of clothing, haberdashery, and goods of this class, long credit is given to country storekeepers, who are further often assisted by the vendors by renewals, if acceptors have not been able to clear out the goods so purchased.

5. The extent to which losses incidental to business transactions prevail cannot be stated with accuracy. The following figures may convey some adequate impression: In 1881 there were in Victoria 620 estates surrendered to the insolvency court, with liabilities amounting to

£303,892 and assets £161,386, showing a deficiency of £141,506. There were also private assignments unrecorded.

The exports amounted to	£16,252,103
The imports amounted to	16,718,521
Total	32,970,624

This does not include goods locally produced, sold, and consumed within the colony. The population in 1881 was 882,231. The general inference is that the losses incidental to business are comparatively small.

6. Tradesmen extend credit to mechanics and laborers readily, and they find no difficulty in collecting their accounts.

7. When a person engaged in a trade in which payment by acceptance is usual elects to pay cash, he obtains a rebate of interest equal to $2\frac{1}{2}$ or 3 per cent. rebate on a three months' bill. In payment of consumers' accounts to tradesmen it is not unusual to deduct a discount of $2\frac{1}{2}$ per cent. on accounts.

In Melbourne the large retail drapers allow no discount for cash. There are co-operative societies professedly dealing for cash only, but payment of the month's account at the end of the month is construed as cash.

8. Interest is not demanded on time accounts if payments are made within a reasonable time. When bills are renewed for the convenience of acceptors, interest is added at current rates of the day.

9. The evils of a credit system are so inconsiderable in Victoria as not to be conspicuous. One can only fall back on the general canon of the economists, that the worst kind of credit is credit afforded by tradesmen to the consumer; when the time of payment comes there is nothing existent to represent value. The retail traders who suffer most are bakers, butchers, and, to a smaller extent, tailors.

10. Wool, the great staple of Australia, is sold for cash, the exporter recouping himself by selling document bills drawn on the foreign consignee. Gold, another great staple product, is convertible into coin at the local branch of the imperial mint. Grain is sold for cash, flour at three months' credit, carcass meat at one month's credit. Most imported goods are sold on credit. Business in debentures, stocks, and shares is wholly for cash.

11. In 1881 there were registered 10,696 mortgages and liens, securing to the mortgagees £6,672,733, largely in connection with live-stock transactions. Under a special statute the wool growing on the sheep's back can be legally mortgaged. There are numerous building societies and capitalists who lend on the security of lands and houses. Most householders are ambitious of being their own landlords, and all strive to acquire a freehold, build a home, and pay for it by periodical installments, generally monthly. In a minor way, furniture, pianos, and sewing machines are sold on credit, payment for the goods being secured by a legally recognized lien upon them. In many cases mortgages are held by arrangement, but not registered, and these are not included in the figures previously given, as they confer no legal security until completed by registration.

12. If a person, having failed in business, has assigned his estate to his creditors by private arrangement, no obstacle exists to his resuming business, his release from liability being, of course, a condition of the assignment. If his estate be either voluntarily or compulsorily seques-

trated in the insolvency court, it is compulsory that he obtain from the court a certificate of discharge. The presiding judge has the power to impose, as a condition of his obtaining a certificate of discharge, the payment of 7s. in the pound sterling.

When the insolvency is clearly due to misfortune, and does not imply recklessness or impropriety on the part of the insolvent, the payment of more than the surrendered assets realized is not insisted on. Unless his failure has been dishonorable, the discharged insolvent, on resuming, is not denied reasonable credit, and, especially amongst retail dealers, it offers little impediment to eventual success.

13. Bankruptcy is not frequent, when regarded in its proportionate relation to the volume of trade here and in England. (See reply to interrogatory 5, *supra*.)

14. (See reply to interrogatory 5, *supra*.)

15. The term "fortune" is very indefinite. Taking £20,000, however, as representing a fortune, there have been more instances of that sum having been made by an individual than there are of individuals having amassed such an amount and afterwards losing it. Great fortunes have been made in Australia by men of the following classes: By squatters, or owners of sheep and cattle, enjoying the use of crown lands at a moderate rental; by owners of real estate, chiefly of city property, through the extraordinary advance in its value; by financiers, through the skillful use of their capital; by contractors for large public works, such as the construction of railways, which are government property; by a few owners of gold mines; by mercantile men, chiefly in connection with the pastoral interests; and by some leading men in all departments of trade. The general population possess ample means of living, and most enjoy a surplus. In 1881 the 882,231 inhabitants of Victoria, including men, women, and children, had to their credit in the various banks of issue £21,151,909, besides lands, houses, live stock, savings-bank deposits, and other descriptions of property. Loss of fortune, when it occurs, is more frequently due to such uncontrollable circumstances as drought injuriously affecting stock-owners and farmers than to recklessness or speculation. There are losses occasioned by overtrading, measurable by the reply to interrogatory 5.

16. The general effects of credit are beneficial. Taking the converse of the proposition, its curtailment would seriously retard a progress which has resulted in a very large measure of general prosperity. The usually conservative policy of the colonial governments has firmly established the credit of the colonies in Great Britain, so that they can borrow for reproductive works at about 4 per cent. in the London market. Public companies and individuals can also obtain the use of English capital at reasonable rates, to be lent or profitably employed within the colonies. In Victoria the reciprocal advantages of credit are especially apparent. The capitalist, to whom active work is no longer a necessity, obtains a fair return for the use of his capital, while the enterprising manufacturer, producer, or trader can profitably employ this borrowed capital and make a considerable profit over and above the interest he pays, this surplus representing the compensation to which he is justly entitled for his skill, enterprise, character, and industry.

O. M. SPENCER,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Melbourne, August 6, 1883.

NEW ZEALAND.

REPORT BY CONSUL GRIFFIN, OF AUCKLAND.

I have the honor to acknowledge the receipt of your communication of the 15th of May last, in reference to the systems of credits prevailing in foreign countries.

In reply I herewith submit the following answers to the interrogatories proposed, in so far as they relate to New Zealand :

1. It is believed that credit stimulates trade in New Zealand from the fact that it inspires confidence in the debtor. When a man is fortunate enough to secure credit from one merchant he has little difficulty in securing it from another. In this way the public soon acquires confidence in his honesty and capabilities. Success, and sometimes even the appearance of it, excites enterprise and competition in a community. The best business men with whom I have conversed in various parts of the colony do not hesitate to express the opinion that if credit were not given, few business enterprises would be started much less sustained. The merchant who extends credit takes part of the risk in the enterprise of the debtor, and very naturally does what he can to support him, directly and indirectly. Of course credit is often extended to those who do not deserve it, but instances of this kind are not frequent enough to affect the general principle.

2. The people of New Zealand are not averse to contracting debts. In truth, the present credit systems of the colony are so popular that any measure proposing to seriously change them would be likely to meet with the most determined opposition. The mechanic or laborer, temporarily pressed through want of work, sickness in his family, or other causes, is, of course, benefited by credit. The facility with which credit is obtained, and the disposition of the people to avail themselves of it, are cited as strong reasons for the frequency of insolvency in the colony. The public-works policy, inaugurated by the government in 1870, which consists of a system of borrowing money for the purpose of constructing railways and other public works, developing gold mines, &c., seems to give very general satisfaction. The public debt in 1870 was only \$33,000,000. Now it has swelled, through successive loans, to nearly \$200,000,000. The facility with which these enormous loans are secured in London, and at a rate of interest rarely exceeding 4 per cent. per annum, furnishes very strong evidence of the confidence of the London bankers in the resources and capabilities of the colony.

3. There are no sumptuary laws or regulations concerning credit in New Zealand, except for minors or for a wife living apart from her husband. The law in such cases limits the supply of food and apparel to necessities. A tradesman cannot recover for goods furnished a minor or a wife living apart from her husband, unless it can be proved that they were necessary supplies. A keeper of a hotel or bar-room cannot recover for liquor supplied on the premises. The New Zealand act, however, for regulating the sale of liquor provides that the keeper of a hotel or an inn may recover for liquor supplied in moderate quantities with meals to any person *bona fide* lodging in the house.

4. The extent of credit in proportion to the volume of trade in New Zealand may fairly be estimated at 90 per cent. in the wholesale, and 60 per cent. in the retail trade. This, however, is a general average, for there are some kinds of business in which credit prevails to a greater extent than others.

5. The losses incidental to business of all kinds in New Zealand have been estimated at $2\frac{1}{2}$ per cent. of the volume of trade. This estimate is based upon figures collected by various statisticians of New Zealand, not for any one year, but upon averages for seven years.

Mr. J. M. Clark, the mayor of Auckland, is of the opinion that the losses sustained in the dry-goods business throughout the colony do not exceed 1 per cent. of the amount of trade done.

6. Tradesmen extend credit readily in New Zealand, and indeed, in all the Australasian colonies, to mechanics and laborers, and in doing so they feel a degree of security. There is a law in New Zealand that deters persons of small means from incurring liabilities that they cannot pay. Imprisonment for debt was abolished by the act of 1874, but it is provided by the act, which is still in force, that if a judgment be not satisfied, the debtor can be further prosecuted by a judgment summons, the court being empowered to order that the debt be liquidated within a certain time by periodical installments. It is further provided that if the debtor fail to comply with the order he shall be sent to prison.

The fifth section of the act reads :

Or if on oral testimony or affidavit, or by both, it shall appear to the satisfaction of the court that the party so summoned has then, or has had since the time of obtaining such order or judgment, sufficient means or ability to pay the sum so recovered against him, and so due and unsatisfied as aforesaid, or any installment thereof, when an order to pay by installment has been made, or that he is about to leave the colony without paying such money as is still unsatisfied, or to depart elsewhere within New Zealand with intent to evade payment, then, in any or either of the cases aforesaid, it shall be lawful for such court, if it shall think fit, to order that unless such party shall pay into such court, either forthwith or by such installments as the court may fix, or within the time limited in such order, the money so unsatisfied, with interest thereon at such rate as the court shall direct, not exceeding 5 per cent. per annum, and the cost of any fruitless writs or warrants of execution and of levies thereunder, together with the cost of and occasioned by such summons and examination, he shall be committed to prison for a period not exceeding three months.

The direction of the enforcement of this order is as follows :

Whenever any such order of committal as aforesaid shall have been made and the money and cost specified therein, or any part thereof, or any installment shall not have been paid into court in pursuance thereof, the registrar of the court shall, without previous notice or summons to the party required to pay the same, issue a warrant in the prescribed form, and the bailiff of the court and the keeper of the jail to whom such warrant is directed shall respectively execute and obey the warrant, and all constables and other peace officers shall aid and assist in the execution of such warrant.

If the debtor, however, should satisfy the court that he has no means of paying, the court will refuse to issue the order. The court has also power at any time, under special circumstances of any particular case, to order the discharge of the person in custody. The act is so thoroughly understood and is so general in its application that it would be difficult to say that the people are not fully satisfied with it. It is maintained here that the act prevents the mechanic or laborer earning regular wages from indulging in extravagance by the certainty of being compelled to pay. Moreover it is regarded as disgraceful in the extreme to be sued on a judgment summons.

7. Cash buyers have no advantage except the usual discount of $2\frac{1}{2}$ per cent. on bills paid at the end of the month. Some merchants allow a discount of 5 per cent. on cash transactions, but the practice is not general.

8. Interest is charged on accounts not paid at the end of three months, provided due notice is given. The publication on the merchant's bill-

heads, or statements of accounts, that interest will be charged at the end of three months, is deemed sufficient notice. If such notice is not printed or otherwise given, he cannot recover interest on time accounts.

By the mercantile law act of 1880 of New Zealand, the laws of England relating to usury are declared not to be in force in this colony. In section 44 the act provides that there shall be no limit to the amount of interest which any person may lawfully contract to pay. Section 45 of the same act reads :

In all cases where interest for the loan of money or upon any other contract has been agreed upon, it may be lawfully recovered or allowed in any action, suit, or other proceedings, but where the rate of such interest has not been previously agreed upon by or between the parties, the party entitled to interest shall not be allowed to recover or receive above the rate of eight pounds for the interest of one hundred pounds (8 per cent.) for a year, and after that rate for a greater or lesser sum than one hundred pounds, or for a longer or shorter time than a year.

In the wholesale trade promissory notes payable three months after date, and bearing interest at the rate of 10 per cent. per annum, are usually given for accounts of thirty days.

9. The evils of credit are more conspicuous amongst workingmen and small traders than any other class. When a man of business knowledge and experience in any particular line, but without capital, wishes to engage in trade on his own account, he has little difficulty in finding a merchant or capitalist to supply him with the necessary goods or merchandise. Nearly all the butcher shops and tobacco stores in the large towns of New Zealand are partly or wholly owned by a few leading merchants. Small liquor dealers are usually set up in the same way. They derive but little profit from their business, and in a short time their establishments are either closed up or turned over to some one else. When small tradesmen are not thus supplied their stock is usually pledged to the bank or to some capitalist.

10. Kauri gum is the only product of New Zealand that commands cash returns at wholesale and retail. Timber, coal, manganese, cattle, horses, sheep, wool, grain, flour, bacon, lard, butter, sugar, coffee, eggs, vegetables, fruit, &c., are sold on credit. Beer and liquor at retail are the only manufactured articles in New Zealand usually sold for cash. It is believed that articles of luxury, such as jewelry, &c., command cash returns more readily than the necessities of life. A fair estimate of the cash transactions of jewelers and watch-makers would probably be about 50 per cent. of their sales.

11. Credits of record (mortgages, judgments, &c.) are prevalent in New Zealand. Indeed, a very large majority of those engaged in business have their property heavily mortgaged. Those who have not studied the various methods of acquiring property in this colony would be amazed at the extent to which real estate is mortgaged. The residences of tradesmen are largely affected by money obtained in this way. There is no class of law business more profitable than the preparation of mortgages of property. The annual receipts by the government alone in fees collected for the registration of deeds for land amount to nearly \$100,000.

The land-transfer act returns for the year ended 31st of March, 1883, show the following interesting facts : During the year 4,910 acres town and suburban and 1,036,630 acres rural land were mortgaged, the sum secured being £5,113,604. In the previous year the figures were 6,057 acres town and suburban and 1,231,166 acres rural land, the sum secured being £6,151,795. The distribution of mortgages through the several provincial districts during the last twelve months was : Auck-

land, £415,104; Otago, £852,787; Canterbury, £2,187,680; Wellington, £487,983; Nelson, £108,240; Southland, £412,819; Hawke's Bay, £468,135; Westland, £8,817; Taranaki, £144,563; Marlborough, £27,469. The total amount remaining secured under mortgage on March 31 last was £21,683,698, distributed as follows: Auckland, £1,881,373; Otago, £4,660,522; Canterbury, £8,433,013; Wellington, £2,171,767; Nelson, £304,814; Southland, £2,306,716; Hawke's Bay, £1,306,574; Westland, £62,244; Taranaki, £308,925; Marlborough, £150,746. The fees for registration of deeds received during the twelve months ending 31st of March last were as follows: Auckland, £6,282; Taranaki, £1,078; Wellington, £2,474; Hawke's Bay, £1,096; Nelson, £601; Marlborough, £641; Canterbury, £3,298; Otago, £2,305; Southland, £727; Westland, £51. Total, £18,568.

12. When a person in business has once failed or been discredited there is nothing to prevent him from again resuming business, provided he can obtain his discharge from bankruptcy.

According to section 186 of the debtors and creditors' act of 1876, now in force in New Zealand, the discharge of the debtor does not release him from any debts or liabilities incurred by means of fraud, but it releases him from all other debts provable under the bankruptcy act, with the exception of the following:

1st. Debts due to the Crown.

2d. Debts with which the debtor stands charged at the suit of the Crown or of any person for any offense against a statute relating to any branch of the public revenue, or at the suit of the sheriff or other public officer on a bail-bond entered into for the appearance of any person prosecuted for any such offense; and he shall not be discharged from such excepted debts unless the colonial treasurer certify in writing his consent to his being discharged therefrom.

When a man has once failed credit is usually extended to him with more caution than theretofore, but it is nevertheless granted him. Some bankrupts only pay a few shillings to the pound, and afterward extend their business so rapidly that they appear to have largely profited by their failure. It is said that there are several prosperous merchants in Auckland who have taken the bankruptcy law as many as three times. There is, however, a feeling of insecurity in trusting a man who has once been discredited, unless his failure was under very exceptional circumstances. In the majority of cases it is supposed that the bankrupt's moral sense has been so blunted by his failure that he will have fewer scruples than formerly in availing himself of the bankrupt law.

The present bankrupt law in New Zealand has not given general satisfaction, and a new bill has been introduced in the colonial parliament which will doubtless pass this session. It has received the sanction of the committees of both houses of the general assembly, and been read the second time. The most important change proposed is the adoption of a system of official assignees, with full power and control over important matters which at present are left in the hands of the creditors. The official assignee, under the new law, is authorized to preside at all meetings of the creditors, decide as to the validity of proxies and proofs of debts, examine and report on the debtors' accounts, consult the creditors, take possession of, protect, and realize the property, and examine the bankrupt and creditors. He is also empowered to investigate voluntary settlements, fraudulent preferences, and bills of sale. The act provides that bills of sale are void unless duly executed and registered three months before the date of bankruptcy, except for actual value in cash or goods received at the time. The official assignee has to decide within one month all questions of the acceptance on behalf of the creditor's ex-

isting leases or agreements. He also keeps and files the accounts, distributes dividends, reports to the court before the bankrupt's final examination, and, when necessary, opposes his discharge, whether the creditors are favorable or not. The act further provides that the official assignee shall give sufficient bond or security, and permit the creditors to examine his books at least four times a year. At the request of the creditors, the court will appoint supervisors to check his conduct. His accounts are also examined by an auditor appointed by the governor. The bill is a very long one and contains 239 clauses. It provides very severe penalties for fraudulent bankruptcies. The offenses and their punishments are clearly set forth. For certain offenses the debtor must be duly indicted and tried before a jury, but the court has also summary jurisdiction to imprison for a term not exceeding twelve months, with or without hard labor, in such cases as carrying on trade with fictitious capital, omitting with intent to conceal, failing to keep proper books and accounts, and for unjustifiable extravagance in mode of life. The court may make conditions as to the acquisitions of property and for the payment of so many shillings in the pound before granting the discharge. The debtor is not to be released from any fraud or breach of trust.

13. The number of bankruptcies in New Zealand in proportion to the population appears to me to be unusually large. The number, however, is becoming smaller every year. During 1882 there were 1,375 persons in New Zealand that filed their declarations of insolvency. Estimating the total population of the colony at 550,000, there was one bankrupt to every 400 persons. The number *pro rata* is much smaller in Victoria and some of the other Australasian colonies, but I have noticed that the assets of the New Zealand bankrupts make a much better showing in proportion to their liabilities than those of the other colonies. The amount of the liabilities of the New Zealand bankrupts during 1882 was \$4,115,054; the amount of their assets was \$3,586,900, showing a deficiency of \$528,154.

In 1881 the number of persons filing declarations was 1,444, and the amount of liabilities was \$5,865,765, with assets amounting to \$5,321,345. The proposed bankrupt law for this colony embraces many of the features set forth in the bill to amend the law of bankruptcy introduced into the British House of Commons by Mr. Chamberlain. It will, no doubt, correct many abuses which have crept into the old law through the neglect or indifference of creditors, but, at the same time, it is feared that the proposed changes are too complex and cumbersome to work satisfactorily. The difficulties in the way of framing a bankrupt law to meet the wants of the people have led Lord Sherborne and other British statesmen to advocate the abolition of all bankruptcy laws.

Mr. Alfred De Lissa, a prominent lawyer of New South Wales, has recently written a very interesting pamphlet on insolvency, in which he proposes to substitute altogether a new system for the protection of property and the control of credit operations. The principal object of his system is to limit the liability of a debtor; in other words, to compel a trader to observe a certain proportion between his actual capital and the amount of liabilities he incurs at any one time, and under which, if creditors choose, he shall be enabled to exceed that proportion. The method is to be carried out by the establishment of a bureau of insolvency and to refer to a court of law only in matters absolutely requiring judicial functions.

14. There is nothing in the bankrupt law of New Zealand or any of the amendments thereto, designated as relief acts. The law provides

that the property of the debtor, divisible amongst his creditors, shall not comprise the following particulars :

1. Property held by the debtor in trust for any other person.
2. The tools (if any) of his trade and the necessary wearing apparel of himself, his wife and children, and his furniture, to the value of £25, or to such further value as the creditors in general meeting may determine.

It is seldom that maintenance money is granted the debtor by the creditors during the interval of filing his declaration of insolvency and obtaining his discharge. Sometimes the creditors may compensate him for services rendered in the settlement of the estate. It is in the power of the court to discharge the debtor upon the request of the creditors. If the creditors, however, refuse to meet and request his discharge, the court may suspend the order of discharge until such time as it may deem proper, within a period of three years.

The one hundred and eighty-fifth section of the act reads :

If no order of discharge shall be made within a period of three years from the date of the bankruptcy, a debtor shall nevertheless be deemed to be absolutely discharged at the expiration of that period.

15. Fortunes are not readily made and lost in New Zealand. In the early history of the colony the growth of its trade and commerce was very slow, but after the discovery of gold in large quantities a startling impetus was given to every branch of business. Between 1863 and 1871, when the export of gold was the heaviest, the rush to the mines was unparalleled. A little Maori village on the Thames in a short time contained a population of over 15,000 Europeans. The yield of the mines was enormous. The Caledonia mine alone in less than nine months distributed amongst its shareholders over \$3,000,000 in dividends. The shares which originally cost \$60 went up to \$1,200. The value of the exports of gold between 1863 and 1871 was \$109,365,240, and during that time the population of the colony increased from 99,000 to 270,000. The rush to the mines, the excitement created by every new discovery of gold, awakened the most reckless trading and the wildest speculation in stocks and bonds. This was followed by speculation in native lands and other enterprises. The sudden rise and fall of property brought about a very unhealthy state of affairs. The banks, which have always been well managed here, did what they could to regulate trade. They refused to discount all land-speculation paper, and in a short time business was restored to a normal basis.

16. The general effects of credit in New Zealand are about the same as in other countries. It is a maxim in political economy that credit makes commodities dearer. This maxim would apply as well in New Zealand as elsewhere.

A very great objection to the credit system is the encouragement it gives to reckless trading. The unscrupulous speculator, finding it an easy matter to obtain credit, rushes into all kinds of enterprises without considering the consequences, and at last ends in bankruptcy. When he deals in commodities the sale of which is precarious, or in articles which are constantly varying in price, the risk he runs is greatly increased. Credit also tends, I think, to encourage extravagance and indolence amongst the poorer or working classes. An artisan, who obtains goods without payment at the time, not unfrequently indulges in a greater supply and of a better quality than his requirements demand or his means allow. From this state of affairs two results are obvious : 1st, the repudiation of small debts ; 2d, a vast number of legal actions for the recovery of debts. These actions give the

merchant the reputation of being hard or severe, whilst the debtor is not only compelled to pay the account but the cost of the legal proceedings, which in many cases amounts to more than the original claim.

In conclusion, I will mention that very general attention has been directed to the effects of credit on the poorer classes by the introduction of a bill into the colonial parliament which has for its object the abolition of all laws for the recovery of small debts in the district courts. This would at once do away with the credit system in the retail trade. I am, however, inclined to the opinion that the bill will not pass. Much can be said in favor of it, but much more can be said against it. The fact that such a bill has been introduced would lead to the conclusion that the effect of credit amongst the poorer and middle classes is an evil demanding a remedy.

G. W. GRIFFIN,
Consul.

UNITED STATES CONSULATE,
Auckland, New Zealand, August 10, 1883.

TASMANIA.

REPORT BY CONSUL WEBSTER, OF HOBART.

In compliance with the request contained in your circular of 15th May, I have the honor to furnish my report on the systems of credit which prevail in, and their effect on the general prosperity of this colony.

Credits of record during 1881 were as follows:

Mortgages registered, 753 for £407,483; judgments registered, 15 for £3,238. These figures, which show only a small increase since 1878, do not bear due proportion to the increased value of property, extension of buildings, and the general expansion which has taken place in business in all departments during the same period.

Of trade credits, bankers' advances on open account, secured and unsecured, form a very important element. Ordinary mercantile credit comprises: (1.) Wholesale transactions in all classes of imports, manufactured goods, and live stock, which are usually sold at three or four months' credit, with monthly settlement by bill of exchange. (2.) Retail rates to consumers, with quarterly settlements by bill at three months as a rule. In all cases cash buyers have the advantage of a discount or allowance in price equal to from $2\frac{1}{2}$ per cent. to 5 per cent. All the raw products of the colony, such as wool, grain, tin, fruit, &c., are usually sold for net cash.

With few exceptions people are not averse to contracting debts. There is no doubt that the facilities offered in many instances, due to the competition in most branches of trade, have the effect common in every community of leading to reckless trading; but, upon the whole, the systems of credit prevailing have worked fairly well amongst all classes.

The only law concerning credit in force here is that of the Parliament of Great Britain.

It is impossible to arrive at a satisfactory conclusion as to the extent to which credit prevails in proportion to the volume of business; but well-informed authorities estimate that 65 per cent. to 75 per cent. of the transactions are credit.

The same difficulty exists in reference to the proportion of losses in-

cidental to credit, but probably 1 per cent. to $1\frac{1}{2}$ per cent. on the gross transactions is a near approximation of the truth.

Tradesmen of the smaller class extend credit to mechanics and laborers, but not very readily, and only from week to week, when wages are usually paid.

Time accounts are not frequent, but when adopted interest is demanded.

A person in business having failed under circumstances not discreditable, finds little difficulty in resuming. The greatest obstacle is the obvious disadvantage of having to compete for business with those possessing capital.

Bankruptcies are not numerous. In 1881, the last year for which statistics are available, there were 29 petitions presented under the bankruptcy act, with liabilities stated at £13,770, and assets £9,600. These figures, however, do not represent totals, as statements were not filed in all cases.

The total population of the colony at present is about 123,000, and it is almost needless to say that in such a limited community fortunes are not easily made, nor are they easily lost if the most ordinary prudence be exercised.

The fact that little apparent ill has resulted, for several years past, from the systems of credit prevailing, is probably owing more to the steady progress in the affairs of the colony and the prosperity consequent thereon than to the beneficial influence of credit generally.

Whether credit in the abstract has the effect of stimulating trade is a question which business men usually answer at once in the affirmative. The possibility of altogether abolishing the system seems to present such difficulties as to preclude the necessity for any expression of opinion from me upon the subject.

A. G. WEBSTER,
Consul.

UNITED STATES CONSULATE,
Hobart, October 23, 1883.

POLYNESIA.

SANDWICH ISLANDS.

REPORT BY CONSUL M'KINLEY, OF HONOLULU.

I have the honor to acknowledge the receipt of the Department's circular of May 15 last, submitting certain interrogatories propounded by the Board of Trade of Scranton, Pa., respecting the system of credits, &c., prevailing in this Kingdom.

In order to furnish such answers as the importance of the questions submitted would seem to require, I submitted them to Hon. Charles R. Bishop, one of the oldest American residents here, the president of the Honolulu Chamber of Commerce, and who for many years has been a prominent merchant and banker here.

Herewith I hand you the replies made by Mr. Bishop thereto, which I trust will contain the information required.

D. A. MCKINLEY,
Consul.

UNITED STATES CONSULATE,
Honolulu, October 8, 1883.

Does credit stimulate trade?

Yes.

Are people averse to contracting debts?

No.

Are there any sumptuary laws or regulations concerning credits?

No.

To what extent does credit prevail in proportion to the volume of business?

Not less than one-half.

To what extent do losses incidental to business prevail?

Except on plantation adventures, losses have been small.

Do tradesmen extend credit to mechanics and laborers readily?

Only for quite small amounts.

What advantage have cash buyers?

They can get a discount equal to 1 per cent. per month, say 3 to 5 per cent.

Is interest demanded on time accounts?

On large accounts, such as agents' accounts with planters, interest is charged from and after the end of each quarter-year, but with small accounts creditors are not strict about interest.

With what classes are the evils of credit most conspicuous?

Jobbers, butchers, grocers, and boarding-house keepers have the larger number of losses, but those who have advanced to planters have lost a much larger amount.

What kind of produce or manufactured articles command cash returns?

The principal products are exported by the producers and drawn against at sixty days sight. There are no manufactories except machinery, which is sold for cash.

Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

They are prevalent principally amongst planters or persons improving their property. When a person has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

Those who fail in business usually have no difficulty in getting a discharge under

the bankruptcy act, or by assignment; and if there has been no fraud there is no obstacle to resumption except want of means.

Is bankruptcy frequent?

No.

To what extent do relief acts in bankruptcy prevail?

No special relief acts; bankrupts usually get discharged without unnecessary delay.

Are fortunes readily made and lost?

Not readily made. But few fortunes have been made, and comparatively few have lost all.

What are the general effects of credit?

It is used too largely for the general good.

FRIENDLY ISLANDS.

REPORT BY CONSUL ATWATER.

Does credit stimulate trade?

Yes.

Are people averse to contracting debts?

No.

Are there any sumptuary laws or regulations concerning credits?

No.

To what extent does credit prevail in proportion to the volume of business?

Seventy-five per cent.

To what extent do losses incidental to business prevail?

Five per cent.

Do tradesmen extend credit to mechanics and laborers generally?

Yes.

What advantage have cash buyers?

Two and one-half per cent.

Is interest demanded on time accounts?

No.

With what classes are the evils of credit most conspicuous?

All classes.

What kind of produce or manufactured articles command cash returns?

All produce.

Are credits of record (mortgages and judgments) prevalent; and, if so, among what classes?

Yes; all classes.

When a person in business has once failed, or has been discredited, can he resume, and what are the obstacles to such resumption?

Can resume by making an arrangement with his creditors.

Is bankruptcy frequent?

No.

To what extent do relief acts in bankruptcy prevail?

Very limited.

Are fortunes readily made and lost?

No.

What are the general effects of credit?

To encourage people to live beyond their means and enhance the price of every commodity to the buyer.

DORENCE ATWATER,
Consul.

UNITED STATES CONSULATE AT TAHITI,
September 12, 1883.

SAMOA.*REPORT BY CONSUL CANISIUS, OF APIA.*

On account of the meager information I am able to obtain, I cannot give a full report on the subject of the circular of May 15, and must confine myself to briefly answering the interrogatories propounded in the circular.

Does credit stimulate trade?

Credit does not seem to stimulate trade in the Samoa Islands, because the business is done principally with the natives, who are not inclined to discharge their debts promptly, and consequently not trusted by the storekeepers.

Are people averse to contracting debts?

Both natives and foreigners are perfectly willing to contract debts, but the latter are more prompt in discharging them.

Are there any sumptuary laws or regulations concerning credits?

The Samoan Government recently passed a law forbidding the natives to ask for or receive credit from the stores, but this law is a dead letter, as far as I can see.

To what extent does credit prevail in proportion to the volume of business?

The traders now generally refuse to extend credit to natives, who are consequently compelled to pay in cash or copra (dried flesh of the coconut), so that its extent in proportion to the volume of business has much decreased.

To what extent do losses incidental to business prevail?

Since the traders have begun to refuse credit to the natives business losses have greatly decreased.

Do tradesmen extend credit to mechanics and laborers readily?

To such as are regularly employed here.

What advantage have cash buyers?

They have the advantage of obtaining goods somewhat cheaper.

Is interest demanded on time accounts?

I believe not.

With what classes are the evils of credit most conspicuous?

With the traders, who generally lose by giving credit.

What kind of produce or manufactured articles command cash returns?

None in particular. Traders pay in cash or trade for copra, the staple product of the islands.

Are credits of record (mortgages, judgments, &c.) prevalent; and, if so, among what classes?

Yes; among all classes of white residents.

When a person in business has once failed, can he resume, and what are the obstacles to such resumption?

Certainly he can, there being no legal obstacles.

Is bankruptcy frequent?

No. There has been no case of bankruptcy since I have been here (over one year).

To what extent do relief acts in bankruptcy prevail?

No such acts have been passed by the native Government, and foreigners conform to the laws of their respective countries.

Are fortunes readily made and lost?

Fortunes are not readily made in these islands as yet, for the trade is not great, though increasing. The field has been pretty well taken

up by German, English, and American firms. Fortunes can be easily lost here, as elsewhere.

What are the general effects of credit ?

The commerce of the islands is as yet comparatively so insignificant that it is difficult to form an opinion as to what the general effect of credit is.

The trade of the group is in the hands of four firms, two German and two American. These large firms, being jealous of one another, are more willing to give credit than the stores.

THEO. CANISIUS,
Consul.

UNITED STATES CONSULATE,
Apia, October 6, 1883.

APPENDIX.

BRITISH BANKRUPTCY ACT.

Transmitted to the Department by Consul Shaw, of Manchester, as an accompaniment to his report on the credit systems of England.

ARRANGEMENT OF SECTIONS.

PRELIMINARY.

Section.

1. Short title.
2. Extent of act.
3. Commencement of act.

PART I.

PROCEEDINGS FROM ACT OF BANKRUPTCY TO DISCHARGE.

ACTS OF BANKRUPTCY.

4. Acts of bankruptcy.

RECEIVING ORDER.

5. Jurisdiction to make receiving order.
6. Conditions on which creditor may petition.
7. Proceedings and order on creditor's petition.
8. Debtor's petition and order thereon.
9. Effect of receiving order.
10. Discretionary powers as to appointment of receiver and stay of proceedings.
11. Service of order staying proceedings.
12. Power to appoint special manager.
13. Advertisement of receiving order.
14. Power to court to annul receiving order in certain cases.

PROCEEDINGS CONSEQUENT ON ORDER.

15. First and other meetings of creditors.
16. Debtor's statement of affairs.

PUBLIC EXAMINATION OF DEBTOR.

17. Public examination of debtor.

COMPOSITION OR SCHEME OF ARRANGEMENT.

18. Power for creditors to accept and court to approve composition or arrangement.
19. Effect of composition or scheme.

ADJUDICATION OF BANKRUPTCY.

20. Adjudication of bankruptcy where composition not accepted or approved.
21. Appointment of trustee.
22. Committee of inspection.
23. Power to accept composition or scheme after bankruptcy adjudication.

CONTROL OVER PERSON AND PROPERTY OF DEBTOR.

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- 24. Duties of debtor as to discovery and realization of property.
- 25. Arrest of debtor under certain circumstances.
- 26. Redirection of debtor's letters.
- 27. Discovery of debtor's property.

DISCHARGE OF BANKRUPT.

- 28. Discharge of bankrupt.
- 29. Fraudulent settlements.
- 30. Effect of order of discharge.
- 31. Undischarged bankrupt obtaining credit to extent of £20 to be guilty of misdemeanor.

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- 33. Vacating of seat in House of Commons.
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- 37. Description of debts provable in bankruptcy.
- 38. Mutual credit and set-off.
- 39. Rules as to proof of debts.
- 40. Priority of debts.
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- 42. Power to landlord to distrain for rent.

PROPERTY AVAILABLE FOR PAYMENT OF DEBTS.

- 43. Relation back of trustee's title.
- 44. Description of bankrupt's property divisible amongst creditors.

EFFECT OF BANKRUPTCY ON ANTECEDENT TRANSACTIONS.

- 45. Restriction of rights of creditor under execution or attachment.
- 46. Duties of sheriff as to goods taken in execution.
- 47. Avoidance of voluntary settlements.
- 48. Avoidance of preferences in certain cases.
- 49. Protection of bona fide transactions without notice.

REALIZATION OF PROPERTY.

- 50. Possession of property by trustee.
- 51. Seizure of property of bankrupt.
- 52. Sequestration of ecclesiastical benefice.
- 53. Appropriation of portion of pay or salary to creditors.
- 54. Vesting and transfer of property.
- 55. Disclaimer of onerous property.
- 56. Powers of trustee to deal with property.
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DISTRIBUTION OF PROPERTY.

- 58. Declaration and distribution of dividends.
- 59. Joint and separate dividends.
- 60. Provision for creditors residing at a distance, &c.

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- 61. Right of creditor who has not proved debt before declaration of a dividend.
- 62. Final dividend.
- 63. No action for dividend.
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- 89. Discretionary powers of trustee and control thereof.
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(Bankruptcy act, 1863, 46 and 47 Victoria, chapter 52.)

AN ACT to amend and consolidate the law of bankruptcy. (25th August, 1883.)

Be it enacted by the Queen's most excellent majesty, by and with the advice and consent of the lords spiritual and temporal, and commons, in this present Parliament assembled, and by the authority of the same, as follows:

PRELIMINARY.

1. This act may be cited as the Bankruptcy Act, 1883.
2. This act shall not, except so far as is expressly provided, extend to Scotland or Ireland.
3. This act shall, except as by this act otherwise provided, commence and come into operation from and immediately after the thirty-first day of December, one thousand eight hundred and eighty-three.

PART I.

PROCEEDINGS FROM ACT OF BANKRUPTCY TO DISCHARGE.

ACTS OF BANKRUPTCY.

4. (1) A debtor commits an act of bankruptcy in each of the following cases:
 - (a) If in England or elsewhere he makes a conveyance or assignment of his property to a trustee or trustees for the benefit of his creditors generally.
 - (b) If in England or elsewhere he makes a fraudulent conveyance, gift, delivery, or transfer of his property, or of any part thereof.
 - (c) If in England or elsewhere he makes any conveyance or transfer of his property or any part thereof, or creates any charge thereon which would under this or any other act be void as a fraudulent preference if he were adjudged bankrupt.
 - (d) If with intent to defeat or delay his creditors he does any of the following things, namely, departs out of England, or being out of England remains out of England, or departs from his dwelling-house, or otherwise absents himself, or begins to keep house.
 - (e) If execution issued against him has been levied by seizure and sale of his goods under process in an action in any court, or in any civil proceeding in the high court.
 - (f) If he files in the court a declaration of his inability to pay his debts or presents a bankruptcy petition against himself.
 - (g) If a creditor has obtained a final judgment against him for any amount, and execution thereon not having been stayed, has served on him in England, or, by leave of the court, elsewhere, a bankruptcy notice under this act, requiring him to pay the judgment debt in accordance with the terms of the judgment, or to secure or compound for it to the satisfaction of the creditor or the court, and he does not, within seven days after service of the notice, in case the service is effected in England, and

in case the service is effected elsewhere, then within the time limited in that behalf by the order giving leave to effect the service, either comply with the requirements of the notice, or satisfy the court that he has a counter-claim set off or cross demand which equals or exceeds the amount of the judgment debt, and which he could not set up in the action in which the judgment was obtained.

(A) If the debtor gives notice to any of his creditors that he has suspended, or that he is about to suspend, payment of his debts.

(2) A bankruptcy notice under this act shall be in the prescribed form, and shall state the consequences of non-compliance therewith, and shall be served in the prescribed manner.

RECEIVING ORDER.

5. Subject to the conditions hereinafter specified, if a debtor commits an act of bankruptcy the court may, on a bankruptcy petition being presented either by a creditor or by the debtor, make an order, in this act called a receiving order, for the protection of the estate.

6. (1) A creditor shall not be entitled to present a bankruptcy petition against a debtor unless—

(a) The debt owing by the debtor to the petitioning creditor, or, if two or more creditors join in the petition, the aggregate amount of debts owing to the several petitioning creditors, amounts to fifty pounds, and

(b) The debt is a liquidated sum, payable either immediately or at some certain future time, and

(c) The act of bankruptcy on which the petition is grounded has occurred within three months before the presentation of the petition, and

(d) The debtor is domiciled in England, or, within a year before the date of the presentation of the petition, has ordinarily resided or had a dwelling-house or place of business in England.

(2) If the petitioning creditor is a secured creditor, he must, in his petition, either state that he is willing to give up his security for the benefit of the creditors in the event of the debtor being adjudged bankrupt, or give an estimate of the value of his security. In the latter case, he may be admitted as a petitioning creditor to the extent of the balance of the debt due to him, after deducting the value so estimated in the same manner as if he were an unsecured creditor.

7. (1) A creditor's petition shall be verified by affidavit of the creditor, or of some person on his behalf having knowledge of the facts, and served in the prescribed manner.

(2) At the hearing the court shall require proof of the debt of the petitioning creditor of the service of the petition, and of the act of bankruptcy, or, if more than one act of bankruptcy is alleged in the petition, of some one of the alleged acts of bankruptcy, and, if satisfied with the proof, may make a receiving order in pursuance of the petition.

(3) If the court is not satisfied with the proof of the petitioning creditor's debt, or of the act of bankruptcy, or of the service of the petition, or is satisfied by the debtor that he is able to pay his debts, or that for other sufficient cause no order ought to be made, the court may dismiss the petition.

(4) When the act of bankruptcy relied on is non-compliance with a bankruptcy notice to pay, secure, or compound for a judgment debt, the court may, if it thinks fit, stay or dismiss the petition on the ground that an appeal is pending from the judgment.

(5) Where the debtor appears on the petition, and denies that he is indebted to the petitioner or that he is indebted to such an amount as would justify the petitioner in presenting a petition against him, the court, on such security (if any) being given as the court may require for payment to the petitioner of any debt which may be established against him in due course of law, and of the costs of establishing the debt, may instead of dismissing the petition stay all proceedings on the petition for such time as may be required for trial of the question relating to the debt.

(6) Where proceedings are stayed, the court may, if by reason of the delay caused by the stay of proceedings or for any other cause it thinks just, make a receiving order on the petition of some other creditor, and shall thereupon dismiss, on such terms as it thinks just, the petition in which proceedings have been stayed as aforesaid.

(7) A creditor's petition shall not, after presentment, be withdrawn without the leave of the court.

8. (1) A debtor's petition shall allege that the debtor is unable to pay his debts, and the presentation thereof shall be deemed an act of bankruptcy without the previous filing by the debtor of any declaration of inability to pay his debts, and the court shall thereupon make a receiving order.

(2) A debtor's petition shall not, after presentment, be withdrawn without the leave of the court.

9. (1) On the making of a receiving order an official receiver shall be thereby con-

stituted receiver of the property of the debtor, and thereafter, except as directed by this act, no creditor to whom the debtor is indebted in respect of any debt provable in bankruptcy shall have any remedy against the property or person of the debtor in respect of the debt, or shall commence any action or other legal proceedings unless with the leave of the court and on such terms as the court may impose.

(2) But this section shall not affect the power of any secured creditor to realize or otherwise deal with his security in the same manner as he would have been entitled to realize or deal with it if this section had not been passed.

10. (1) The court may, if it is shown to be necessary for the protection of the estate, at any time after the presentation of a bankruptcy petition, and before a receiving order is made, appoint the official receiver to be interim receiver of the property of the debtor, or of any part thereof, and direct him to take immediate possession thereof, or of any part thereof.

(2) The court may at any time after the presentation of a bankruptcy petition stay any action, execution, or other legal process against the property or person of the debtor, and any court in which proceedings are pending against a debtor may, on proof that a bankruptcy petition has been presented by or against the debtor, either stay the proceedings or allow them to continue on such terms as it may think just.

11. Where the court makes an order staying any action or proceeding, or staying proceedings generally, the order may be served by sending a copy thereof, under the seal of the court, by prepaid post letter, to the address for service of the plaintiff or other party prosecuting such proceeding.

12. (1) The official receiver of a debtor's estate may, on the application of any creditor or creditors, and if satisfied that the nature of the debtor's estate or business or the interests of the creditors generally require the appointment of a special manager of the estate or business other than the official receiver, appoint a manager thereof accordingly to act until a trustee is appointed, and with such powers (including any of the powers of a receiver) as may be entrusted to him by the official receiver.

(2) The special manager shall give security and account in such manner as the board of trade may direct.

(3) The special manager shall receive such remuneration as the creditors may, by resolution at an ordinary meeting, determine, or in default of any such resolution, as may be prescribed.

13. Notice of every receiving order, stating the name, address, and description of the debtor, the date of the order, the court by which the order is made, and the date of the petition, shall be gazetted and advertised in a local paper in the prescribed manner.

14. If in any case where a receiving order has been made on a bankruptcy petition it shall appear to the court by which such order was made, upon an application by the official receiver, or any creditor or other person interested, that a majority of the creditors in number and value are resident in Scotland or in Ireland, and that from the situation of the property of the debtor, or other causes, his estate and effects ought to be distributed among the creditors under the bankrupt or insolvent laws of Scotland or Ireland, the said court, after such inquiry as to it shall seem fit, may rescind the receiving order and stay all proceedings on, or dismiss the petition upon, such terms, if any, as the court may think fit.

PROCEEDINGS CONSEQUENT ON ORDER.

15. (1) As soon as may be after the making of a receiving order against a debtor a general meeting of his creditors (in this act referred to as the first meeting of creditors) shall be held for the purpose of considering whether a proposal for a composition or scheme of arrangement shall be entertained, or whether it is expedient that the debtor shall be adjudged bankrupt, and generally as to the mode of dealing with the debtor's property.

(2) With respect to the summoning of and proceedings at the first and other meetings of creditors, the rules in the first schedule shall be observed.

16. (1) Where a receiving order is made against a debtor, he shall make out and submit to the official receiver a statement of and in relation to his affairs in the prescribed form, verified by affidavit, and showing the particulars of the debtor's assets, debts, and liabilities, the names, residences, and occupations of his creditors, the securities held by them respectively, the dates when the securities were respectively given, and such further or other information as may be prescribed or as the official receiver may require.

(2) The statement shall be so submitted within the following times, namely:

(i) If the order is made on the petition of the debtor, within three days from the date of the order.

(ii) If the order is made on the petition of a creditor, within seven days from the date of the order.

But the court may, in either case, for special reasons, extend the time.

(3) If the debtor fails without reasonable excuse to comply with the requirements of this section, the court may, on the application of the official receiver, or of any creditor, adjudge him bankrupt.

(4) Any person stating himself in writing to be a creditor of the bankrupt may, personally or by agent, inspect this statement at all reasonable times, and take any copy thereof or extract therefrom, but any person untruthfully so stating himself to be a creditor shall be guilty of a contempt of court, and shall be punishable accordingly on the application of the trustee or official receiver.

PUBLIC EXAMINATION OF DEBTOR.

17. (1) Where the court makes a receiving order it shall hold a public sitting, on a day to be appointed by the court, for the examination of the debtor, and the debtor shall attend thereat, and shall be examined as to his conduct, dealings, and property.

(2) The examination shall be held as soon as conveniently may be after the expiration of the time for the submission of the debtor's statement of affairs.

(3) The court may adjourn the examination from time to time.

(4) Any creditor who has tendered a proof, or his representative authorized in writing, may question the debtor concerning his affairs and the causes of his failure.

(5) The official receiver shall take part in the examination of the debtor; and for the purpose thereof, if specially authorized by the board of trade, may employ a solicitor, with or without counsel.

(6) If a trustee is appointed before the conclusion of the examination, he may take part therein.

(7) The court may put such questions to the debtor as it may think expedient.

(8) The debtor shall be examined upon oath, and it shall be his duty to answer all such questions as the court may put or allow to be put to him. Such notes of the examination as the court thinks proper shall be taken down in writing, and shall be read over to and signed by the debtor, and may thereafter be used in evidence against him; they shall also be open to the inspection of any creditor at all reasonable times.

(9) When the court is of opinion that the affairs of the debtor have been sufficiently investigated, it shall, by order, declare that his examination is concluded, but such order shall not be made until after the day appointed for the first meeting of creditors.

COMPOSITION OR SCHEME OF ARRANGEMENT.

18. (1) The creditors may at the first meeting or any adjournment thereof, by special resolution, resolve to entertain a proposal for a composition in satisfaction of the debts due to them from the debtor, or a proposal for a scheme of arrangement of the debtor's affairs.

(2) The composition or scheme shall not be binding on the creditors unless it is confirmed by a resolution passed (by a majority in number representing three-fourths in value of all the creditors who have proved) at a subsequent meeting of the creditors, and is approved by the court.

Any creditor who has proved his debt may assent to or dissent from such composition or scheme by a letter addressed to the official receiver in the prescribed form, and attested by a witness, so as to be received by such official receiver not later than the day preceding such subsequent meeting, and such creditor shall be taken as being present and voting at such meeting.

(3) The subsequent meeting shall be summoned by the official receiver by not less than seven days' notice, and shall not be held until after the public examination of the debtor is concluded. The notice shall state generally the terms of the proposal, and shall be accompanied by a report of the official receiver thereon.

(4) The debtor or the official receiver may, after the composition or scheme is accepted by the creditors, apply to the court to approve it, and notice of the time appointed for hearing the application shall be given to each creditor who has proved.

(5) The court shall, before approving a composition or scheme, hear a report of the official receiver as to the terms of the composition or scheme and as to the conduct of the debtor, and any objections which may be made by or on behalf of any creditor.

(6) If the court is of opinion that the terms of the composition or scheme are not reasonable, or are not calculated to benefit the general body of creditors, or in any case in which the court is required under this act where the debtor is adjudged bankrupt to refuse his discharge, the court shall, or if any such facts are proved as would under this act justify the court in refusing, qualifying, or suspending the debtor's discharge, the court may, in its discretion, refuse to approve the composition or scheme.

(7) If the court approves the composition or scheme, the approval may be testified by the seal of the court being attached to the instrument containing the terms of the composition or scheme, or by the terms being embodied in an order of the court.

(8) A composition or scheme accepted and approved in pursuance of this section shall be binding on all the creditors so far as relates to any debts due to them from the debtor and provable in bankruptcy.

(9) A certificate of the official receiver that a composition or scheme has been duly accepted and approved shall, in the absence of fraud, be conclusive as to its validity.

(10) The provisions of a composition or scheme under this section may be enforced by the court on application by any person interested, and any disobedience of an order of the court made on the application shall be deemed a contempt of court.

(11) If default is made in payment of any installment due in pursuance of the composition or scheme, or if it appears to the court, on satisfactory evidence, that the composition or scheme cannot in consequence of legal difficulties, or for any sufficient cause, proceed without injustice or undue delay to the creditors or to the debtor, or that the approval of the court was obtained by fraud, the court may, if it thinks fit, on application by any creditor, adjudge the debtor bankrupt, and annul the composition or scheme, but without prejudice to the validity of any sale, disposition, or payment duly made, or thing duly done under or in pursuance of the composition or scheme. Where a debtor is adjudged bankrupt under this sub-section any debt provable in other respects, which has been contracted before the date of the adjudication, shall be provable in the bankruptcy.

(12) If, under or in pursuance of a composition or scheme, a trustee is appointed to administer the debtor's property or manage his business, Part V of this act shall apply to the trustee as if he were a trustee in a bankruptcy, and as if the terms "bankruptcy," "bankrupt," and "order of adjudication" included respectively a composition or scheme of arrangement, a compounding or arranging debtor, and order approving the composition or scheme.

(13) Part III of this act shall, so far as the nature of the case and the terms of the composition or scheme admit, apply thereto, the same interpretation being given to the words "trustee," "bankruptcy," "bankrupt," and "order of adjudication," as in the last preceding sub-section.

(14) No composition or scheme shall be approved by the court which does not provide for the payment in priority to other debts of all debts directed to be so paid in the distribution of the property of a bankrupt.

(15) The acceptance by a creditor of a composition or scheme shall not release any person who under this act would not be released by an order of discharge if the debtor had been adjudged bankrupt.

19. Notwithstanding the acceptance and approval of a composition or scheme, such composition or scheme shall not be binding on any creditor so far as regards a debtor liability from which, under the provisions of this act, the debtor would not be discharged by an order of discharge in bankruptcy, unless the creditor assents to the composition or scheme.

ADJUDICATION OF BANKRUPTCY.

20. (1) Where a receiving order is made against a debtor, then, if the creditors at the first meeting or any adjournment thereof, by ordinary resolution, resolve that the debtor be adjudged bankrupt, or pass no resolution, or if the creditors do not meet, or if a composition or scheme is not accepted or approved in pursuance of this act within fourteen days after the conclusion of the examination of the debtor or such further time as the court may allow, the court shall adjudge the debtor bankrupt; and thereupon the property of the bankrupt shall become divisible among his creditors and shall vest in a trustee.

(2) Notice of every order adjudging a debtor bankrupt, stating the name, address, and description of the bankrupt, the date of the adjudication, and the court by which the adjudication is made, shall be gazetted and advertised in a local paper in the prescribed manner, and the date of the order shall for the purposes of this act be the date of the adjudication.

21. (1) Where a debtor is adjudged bankrupt, or the creditors have resolved that he be adjudged bankrupt, the creditors may, by ordinary resolution, appoint some fit person, whether a creditor or not, to fill the office of trustee of the property of the bankrupt; or they may resolve to leave his appointment to the committee of inspection hereinafter mentioned.

(2) The person so appointed shall give security in manner prescribed to the satisfaction of the board of trade, and the board, if satisfied with the security, shall certify that his appointment has been duly made, unless they object to the appointment on the ground that it has not been made in good faith by a majority in value of the creditors voting, or that the person appointed is not fit to act as trustee, or that his connection with or relation to the bankrupt or his estate or any particular creditor makes it difficult for him to act with impartiality in the interests of the creditors generally.

(3) Provided that where the board make any such objection they shall, if so requested by a majority in value of the creditors, notify the objection to the high court, and thereupon the high court may decide on its validity.

(4) The appointment of a trustee shall take effect as from the date of the certificate.

(5) The official receiver shall not, save as by this act provided, be the trustee of the bankrupt's property.

(6) If a trustee is not appointed by the creditors within four weeks from the date of the adjudication, or, in the event of negotiations for a composition or scheme being pending at the expiration of those four weeks, then within seven days from the close of those negotiations by the refusal of the creditors to accept, or of the court to approve, the composition or scheme, the official receiver shall report the matter to the board of trade, and thereupon the board of trade shall appoint some fit person to be trustee of the bankrupt's property and shall certify the appointment.

(7) Provided that the creditors or the committee of inspection (if so authorized by resolution of the creditors) may, at any subsequent time, if they think fit, appoint a trustee, and on the appointment being made and certified the person appointed shall become trustee in the place of the person appointed by the board of trade.

(8) When a debtor is adjudged bankrupt after the first meeting of creditors has been held, and a trustee has not been appointed prior to the adjudication, the official receiver shall forthwith summon a meeting of creditors for the purpose of appointing a trustee.

22. (1) The creditors, qualified to vote, may at their first or any subsequent meeting, by resolution, appoint from among the creditors qualified to vote, or the holders of general proxies or general powers of attorney from such creditors, a committee of inspection for the purpose of superintending the administration of the bankrupt's property by the trustee. The committee of inspection shall consist of not more than five nor less than three persons.

(2) The committee of inspection shall meet at such times as they shall from time to time appoint, and failing such appointment, at least once a month; and the trustee or any member of the committee may also call a meeting of the committee as and when he thinks necessary.

(3) The committee may act by a majority of their members present at a meeting, but shall not act unless a majority of the committee are present at the meeting.

(4) Any member of the committee may resign his office by notice in writing signed by him and delivered to the trustee.

(5) If a member of the committee becomes bankrupt, or compounds or arranges with his creditors, or is absent from five consecutive meetings of the committee, his office shall thereupon become vacant.

(6) Any member of the committee may be removed by an ordinary resolution at any meeting of creditors of which seven days' notice has been given, stating the object of the meeting.

(7) On a vacancy occurring in the office of a member of the committee, the trustee shall forthwith summon a meeting of creditors for the purpose of filling the vacancy, and the meeting may, by resolution, appoint another creditor or other person eligible as above to fill the vacancy.

(8) The continuing members of the committee, provided there be not less than two such continuing members, may act notwithstanding any vacancy in their body; and where the number of members of the committee of inspection is for the time being less than five, the creditors may increase that number, so that it do not exceed five.

(9) If there be no committee of inspection, any act or thing or any direction or on permission by this act authorized or required to be done or given by the committee may be done or given by the board of trade on the application of the trustee.

23. (1) Where a debtor is adjudged bankrupt the creditors may, if they think fit, at any time after the adjudication, by special resolution, resolve to entertain a proposal for a composition in satisfaction of the debts due to them under the bankruptcy or for a scheme of arrangement of the bankrupt's affairs, and thereupon the same proceedings shall be taken and the same consequences shall ensue as in the case of a composition or scheme accepted before adjudication.

(2) If the court approves the composition or scheme it may make an order annulling the bankruptcy and vesting the property of the bankrupt in him or in such other person as the court may appoint, on such terms, and subject to such conditions, if any, as the court may declare.

(3) If default is made in payment of any instalment due in pursuance of the composition or scheme, or if it appears to the court that the composition or scheme cannot proceed without injustice or undue delay, or that the approval of the court was obtained by fraud, the court may, if it thinks fit, on application by any person interested, adjudge the debtor bankrupt, and annul the composition or scheme, but without prejudice to the validity of any sale, disposition, or payment duly made, or thing duly done, under or in pursuance of the composition or scheme. Where a debtor is

adjudged bankrupt under this sub-section, all debts, provable in other respects, which have been contracted before the date of such adjudication shall be provable in the bankruptcy.

CONTROL OVER PERSON AND PROPERTY OF DEBTOR.

24. (1) Every debtor against whom a receiving order is made shall, unless prevented by sickness or other sufficient cause, attend the first meeting of his creditors, and shall submit to such examination and give such information as the meeting may require.

(2) He shall give such inventory of his property, such list of his creditors and debtors, and of the debts due to and from them respectively, submit to such examination in respect of his property or his creditors, attend such other meetings of his creditors, wait at such times on the official receiver, special manager, or trustee, execute such powers of attorney, conveyances, deeds, and instruments, and generally do all such acts and things in relation to his property and the distribution of the proceeds among his creditors, as may be reasonably required by the official receiver, special manager, or trustee, or may be prescribed by general rules, or be directed by the court by any special order or orders made in reference to any particular case, or made on the occasion of any special application by the official receiver, special manager, trustee, or any creditor or person interested.

(3) He shall, if adjudged bankrupt, aid, to the utmost of his power, in the realisation of his property and the distribution of the proceeds among his creditors.

(4) If a debtor wilfully fails to perform the duties imposed on him by this section, or to deliver up possession of any part of his property, which is divisible amongst his creditors under this act, and which is for the time being in his possession or under his control, to the official receiver or to the trustee, or to any person authorised by the court to take possession of it, he shall, in addition to any other punishment to which he may be subject, be guilty of a contempt of court, and may be punished accordingly.

25. (1) The court may, by warrant addressed to any constable or prescribed officer of the court, cause a debtor to be arrested, and any books, papers, money, and goods in his possession to be seized, and him and them to be safely kept as prescribed until such time as the court may order under the following circumstances:

(a) If, after a bankruptcy notice has been issued under this act, or after presentation of a bankruptcy petition by or against him, it appears to the court that there is probable reason for believing that he is about to abscond with a view of avoiding payment of the debt in respect of which the bankruptcy notice was issued, or of avoiding service of a bankruptcy petition, or of avoiding appearance to any such petition, or of avoiding examination in respect of his affairs, or of otherwise avoiding, delaying, or embarrassing proceedings in bankruptcy against him.

(b) If, after presentation of a bankruptcy petition by or against him, it appears to the court that there is probable cause for believing that he is about to remove his goods with a view of preventing or delaying possession being taken of them by the official receiver or trustee, or that there is probable ground for believing that he has concealed or is about to conceal or destroy any of his goods, or any books, documents, or writings, which might be of use to his creditors in the course of his bankruptcy.

(c) If, after service of a bankruptcy petition on him, or after a receiving order is made against him, he removes any goods in his possession above the value of five pounds, without the leave of the official receiver or trustee.

(d) If, without good cause shown, he fails to attend any examination ordered by the court.

Provided that no arrest upon a bankruptcy notice shall be valid and protected unless the debtor before or at the time of his arrest shall be served with such bankruptcy notice.

(2) No payment or composition made or security given after arrest made under this section shall be exempt from the provisions of this act relating to fraudulent preferences.

26. Where a receiving order is made against a debtor, the court, on the application of the official receiver or trustee, may from time to time order that for such time, not exceeding three months, as the court thinks fit, post letters addressed to the debtor at any place, or places, mentioned in the order for re-direction shall be re-directed, sent or delivered by the postmaster-general, or the officers acting under him, to the official receiver, or the trustee, or otherwise as the court directs, and the same shall be done accordingly.

27. (1) The court may, on the application of the official receiver or trustee, at any time after a receiving order has been made against a debtor, summon before it the debtor or his wife, or any person known or suspected to have in his possession any of the estate or effects belonging to the debtor, or supposed to be indebted to the debtor, to any person whom the court may deem capable of giving information respecting the

debtor, his dealings or property, and the court may require any such person to produce any documents in his custody or power relating to the debtor, his dealings or property.

(2) If any person so summoned, after having been tendered a reasonable sum, refuses to come before the court at the time appointed, or refuses to produce any such document, having no lawful impediment made known to the court at the time of its sitting and allowed by it, the court may, by warrant, cause him to be apprehended and brought up for examination.

(3) The court may examine on oath, either by word of mouth or by written interrogatories, any person so brought before it concerning the debtor, his dealings or property.

(4) If any person on examination before the court admits that he is indebted to the debtor, the court may, on the application of the official receiver or trustee, order him to pay to the receiver or trustee, at such time and in such manner as to the court seems expedient, the amount admitted, or any part thereof, either in full discharge of the whole amount in question or not, as the court thinks fit, with or without costs of the examination.

(5) If any person on examination before the court admits that he has in his possession any property belonging to the debtor, the court may, on the application of the official receiver or trustee, order him to deliver to the official receiver or trustee such property, or any part thereof, at such time, and in such manner, and on such terms as to the court may seem just.

(6) The court may, if it think fit, order that any person who if in England would be liable to be brought before it under this section shall be examined in Scotland or Ireland, or in any other place out of England.

DISCHARGE OF BANKRUPT.

28. (1) A bankrupt may, at any time after being adjudged bankrupt, apply to the court for an order of discharge, and the court shall appoint a day for hearing the application, but the application shall not be heard until the public examination of the bankrupt is concluded. The application shall be heard in open court.

(2) On the hearing of the application the court shall take into consideration a report of the official receiver as to the bankrupt's conduct and affairs, and may either grant or refuse an absolute order of discharge, or suspend the operation of the order for a specified time, or grant an order of discharge subject to any conditions with respect to any earnings or income which may afterwards become due to the bankrupt, or with respect to his after-acquired property: Provided that the court shall refuse the discharge in all cases where the bankrupt has committed any misdemeanor under this act, or Part II of the Debtors Act, 1869, or any amendment thereof, and shall, on proof of any of the facts hereinafter mentioned, either refuse the order or suspend the operation of the order for a specified time, or grant an order of discharge, subject to such conditions as aforesaid.

(3) The facts hereinbefore referred to are—

(a) That the bankrupt has omitted to keep such books of account as are usual and proper in the business carried on by him and as sufficiently disclose his business transactions and financial position within the three years immediately preceding his bankruptcy.

(b) That the bankrupt has continued to trade after knowing himself to be insolvent.

(c) That the bankrupt has contracted any debt provable in the bankruptcy, without having at the time of contracting it any reasonable or probable ground of expectation (proof whereof shall lie on him) of being able to pay it.

(d) That the bankrupt has brought on his bankruptcy by rash and hazardous speculations or unjustifiable extravagance in living.

(e) That the bankrupt has put any of his creditors to unnecessary expense by a frivolous or vexatious defence to any action properly brought against him.

(f) That the bankrupt has within three months preceding the date of the receiving order, when unable to pay his debts as they become due, given an undue preference to any of his creditors.

(g) That the bankrupt has on any previous occasion been adjudged bankrupt, or made a statutory composition or arrangement with his creditors.

(h) That the bankrupt has been guilty of any fraud or fraudulent breach of trust.

(4) For the purposes of this section the report of the official receiver shall be prima facie evidence of the statements therein contained.

(5) Notice of the appointment by the court of the day for hearing the application for discharge shall be published in the prescribed manner and sent fourteen days at least before the day so appointed to each creditor who has proved, and the court may hear the official receiver and the trustee, and may also hear any creditor. At the hearing the court may put such questions to the debtor and receive such evidence as it may think fit.

(6) The court may, as one of the conditions referred to in this section, require the bankrupt to consent to judgment being entered against him by the official receiver or trustee for any balance of the debts provable under the bankruptcy which is not satisfied at the date of his discharge; but in such case execution shall not be issued on the judgment without leave of the court, which leave may be given on proof that the bankrupt has since his discharge acquired property or income available for payment of his debts.

(7) A discharged bankrupt shall, notwithstanding his discharge, give such assistance as the trustee may require in the realization and distribution of such of his property as is vested in the trustee, and if he fails to do so he shall be guilty of a contempt of court; and the court may also, if it thinks fit, revoke his discharge, but without prejudice to the validity of any sale, disposition or payment duly made or thing duly done subsequent to the discharge, but before its revocation.

29. In either of the following cases; that is to say,

(1) In the case of a settlement made before and in consideration of marriage where the settlor is not at the time of making the settlement able to pay all his debts without the aid of the property comprised in the settlement; or

(2) In the case of any covenant or contract made in consideration of marriage for the future settlement on or for the settlor's wife or children of any money or property wherein he had not at the date of his marriage any estate or interest (not being money or property of or in right of his wife);

If the settlor is adjudged bankrupt or compounds or arranges with his creditors, and it appears to the court that such settlement, covenant, or contract was made in order to defeat or delay creditors, or was unjustifiable having regard for the state of the settlor's affairs at the time when it was made, the court may refuse or suspend an order of discharge, or grant an order subject to conditions, or refuse to approve a composition or arrangement, as the case may be, in like manner as in cases where the debtor has been guilty of fraud.

30. (1) An order of discharge shall not release the bankrupt from any debt on a recognizance nor from any debt with which the bankrupt may be chargeable at the suit of the Crown or of any person for any offence against a statute relating to any branch of the public revenue, or at the suit of the sheriff or other public officer on a bail bond entered into for the appearance of any person prosecuted for any such offence; and he shall not be discharged from any such expected debts unless the treasury certify in writing their consent to his being discharged therefrom. An order of discharge shall not release the bankrupt from any debt or liability incurred by means of any fraud or fraudulent breach of trust to which he was a party, nor from any debt or liability whereof he has obtained forbearance by any fraud to which he was a party.

¶ (2) An order of discharge shall release the bankrupt from all other debts provable in bankruptcy.

(3) An order of discharge shall be conclusive evidence of the bankruptcy, and of the validity of the proceedings therein, and in any proceedings that may be instituted against a bankrupt who has obtained an order of discharge in respect of any debt from which he is released by the order, the bankrupt may plead that the cause of action occurred before his discharge, and may give this act and the special matter in evidence.

(4) An order of discharge shall not release any person who at the date of the receiving order was a partner or co-trustee with the bankrupt or was jointly bound or had made any joint contract with him, or any person who was surety or in the nature of a surety for him.

31. Where an undischarged bankrupt who has been adjudged bankrupt under this act obtains credit to the extent of twenty pounds or upwards from any person without informing such person that he is an undischarged bankrupt, he shall be guilty of a misdemeanor, and may be dealt with and punished as if he had been guilty of a misdemeanor under the Debtors Act, 1869, and the provisions of that act shall apply to proceedings under this section.

PART II.

DISQUALIFICATIONS OF BANKRUPT.

32. (1) Where a debtor is adjudged bankrupt he shall, subject to the provisions of this act, be disqualified for—

(a) Sitting or voting in the House of Lords, or on any committee thereof, or being elected as a peer of Scotland or Ireland to sit and vote in the House of Lords.

(b) Being elected to, or sitting or voting in, the House of Commons, or any committee thereof.

(c) Being appointed or acting as a justice of the peace.

(d) Being elected to or holding or exercising the office of mayor, alderman, or councillor.

(e) Being elected to or holding or exercising the office of guardian of the poor, overseer of the poor, member of a sanitary authority, or member of a school board, highway board, burial board, or select vestry.

(2) The disqualifications to which a bankrupt is subject under this section shall be removed and cease if and when,—

(a) the adjudication of bankruptcy against him is annulled; or (b) he obtains from the court his discharge with a certificate to the effect that his bankruptcy was caused by misfortune without any misconduct on his part.

The court may grant or withhold such certificate as it thinks fit, but any refusal of such certificate shall be subject to appeal.

(3) The disqualifications imposed by this section shall extend to all parts of the United Kingdom.

33. (1.) If a member of the House of Commons is adjudged bankrupt, and the disqualifications arising therefrom under this act are not removed within six months from the date of the order, the court shall, immediately after the expiration of that time, certify the same to the Speaker of the House of Commons, and thereupon the seat of the member shall be vacant.

(2) Where the seat of a member so becomes vacant; the Speaker, during a recess of the House, whether by prorogation or by adjournment, shall forthwith, after receiving the certificate, cause notice thereof to be published in the London Gazette; and after the expiration of six days after the publication shall (unless the House has met before that day, or will meet on the day of the issue), issue his warrant to the clerk of the Crown to make out a new writ for electing another member in the room of the member whose seat has so become vacant.

(3) The powers of the act of the twenty-fourth year of the reign of King George the Third, chapter twenty-six, "to repeal so much of two acts made in the tenth and fifteenth years of the reign of His present Majesty, as authorizes the Speaker of the House of Commons to issue his warrant to the clerk of the Crown for making out writs for the election of members to serve in Parliament in the manner therein mentioned, and for substituting other provisions for the like purposes," so far as those powers enable the Speaker to nominate and appoint other persons, being members of the House of Commons, to issue warrants for the making out of new writs during the vacancy of the office of Speaker or during his absence out of the realm, shall extend to enable him to make the like nomination and appointment for issuing warrants, under the like circumstances and conditions, for the election of a member in the room of any member whose seat becomes vacant under this act.

34. If a person is adjudged bankrupt whilst holding the office of mayor, alderman, councillor, guardian, overseer, or member of a sanitary authority, school board, highway board, burial board, or select vestry, his office shall thereupon become vacant.

35. (1.) Where in the opinion of the court a debtor ought not to have been adjudged bankrupt, or where it is proved to the satisfaction of the court that the debts of the bankrupt are paid in full, the court may, on the application of any person interested, by order, annul the adjudication.

(2) Where an adjudication is annulled under this section all sales and dispositions of property and payments duly made, and all acts theretofore done, by the official receiver, trustee, or other person acting under their authority, or by the court, shall be valid, but the property of the debtor who was adjudged bankrupt shall vest in such person as the court may appoint, or in default of any such appointment revert to the debtor for all his estate or interest therein on such terms and subject to such conditions, if any, as the court may declare by order.

(3) Notice of the order annulling an adjudication shall be forthwith gazetted and published in a local paper.

36. For the purposes of this part of this act, any debt disputed by a debtor shall be considered as paid in full, if the debtor enters into a bond, in such sum and with such sureties as the court approves, to pay the amount to be recovered in any proceeding for the recovery of or concerning the debt, with costs, and any debt due to a creditor who cannot be found or cannot be identified shall be considered as paid in full if paid into court.

PART III.

ADMINISTRATION OF PROPERTY.

PROOF OF DEBTS.

37. (1) Demands in the nature of unliquidated damages arising otherwise than by reason of a contract, promise, or breach of trust, shall not be provable in bankruptcy.

(2) A person having notice of any act of bankruptcy available against the debtor

shall not prove under the order for any debt or liability contracted by the debtor subsequently to the date of his so having notice.

(3) Save as aforesaid, all debts and liabilities, present or future, certain or contingent, to which the debtor is subject at the date of the receiving order, or to which he may become subject before his discharge by reason of any obligation incurred before the date of the receiving order, shall be deemed to be debts provable in bankruptcy.

(4) An estimate shall be made by the trustee of the value of any debt or liability provable as aforesaid, which by reason of its being subject to any contingency or contingencies, or for any other reason, does not bear a certain value.

(5) Any person aggrieved by any estimate made by the trustee as aforesaid may appeal to the court.

(6) If, in the opinion of the court, the value of the debt or liability is incapable of being fairly estimated, the court may make an order to that effect, and thereupon the debt or liability shall, for the purposes of this act, be deemed to be a debt not provable in bankruptcy.

(7) If, in the opinion of the court, the value of the debt or liability is capable of being fairly estimated, the court may direct the value to be assessed before the court itself without the intervention of a jury, and may give all necessary directions for this purpose, and the amount of the value when assessed shall be deemed to be a debt provable in bankruptcy.

(8) "Liability" shall for the purposes of this act include any compensation for work or labor done, any obligation or possibility of an obligation to pay money or money's worth on the breach of any express or implied covenant, contract, agreement, or undertaking, whether the breach does or does not occur, or is or is not likely to occur or capable of occurring before the discharge of the debtor, and generally it shall include any express or implied engagement, agreement, or undertaking to pay or capable of resulting in the payment of money, or money's worth, whether the payment is, as respects amount fixed or unliquidated; as respects time, present or future, certain or dependent on any one contingency or on two or more contingencies; as to mode of valuation capable of being ascertained by fixed rules, or as matter of opinion.

38. Where there have been mutual credits, mutual debts, or other mutual dealings between a debtor against whom a receiving order shall be made under this act, and any other person proving or claiming to prove a debt under such receiving order, an account shall be taken of what is due from the one party to the other in respect of such mutual dealings, and the sum due from the one party shall be set off against any sum due from the other party, and the balance of the account, and no more, shall be claimed or paid on either side respectively; but a person shall not be entitled under this section to claim the benefit of any set-off against the property of a debtor in any case where he had at the time of giving credit to the debtor notice of an act of bankruptcy committed by the debtor, and available against him.

39. With respect to the mode of proving debts, the right of proof by secured and other creditors, the admission and rejection of proofs, and the other matters referred to in the second schedule, the rules in that schedule shall be observed.

40. (1) In the distribution of the property of a bankrupt there shall be paid in priority to all other debts—

(a) All parochial or other local rates due from the bankrupt at the date of the receiving order, and having become due and payable within twelve months next before such time, and all assessed taxes, land tax, property or income tax, assessed on him up to the fifth day of April next before the date of the receiving order, and not exceeding in the whole one year's assessment.

(b) All wages or salary of any clerk or servant in respect of services rendered to the bankrupt during four months before the date of the receiving order, not exceeding fifty pounds; and,

(c) All wages of any laborer or workman, not exceeding fifty pounds, whether payable for time or piecework, in respect of services rendered to the bankrupt during four months before the date of the receiving order.

(2) The foregoing debts shall rank equally between themselves, and shall be paid in full, unless the property of the bankrupt is insufficient to meet them, in which case they shall abate in equal proportions between themselves.

(3) In the case of partners the joint estate shall be applicable in the first instance in payment of their joint debts, and the separate estate of each partner shall be applicable in the first instance in payment of his separate debts. If there is a surplus of the separate estates it shall be dealt with as part of the joint estate. If there is a surplus of the joint estate it shall be dealt with as part of the respective separate estates in proportion to the right and interest of each partner in the joint estate.

(4) Subject to the provisions of this act all debts proved in the bankruptcy shall be paid *pari passu*.

(5) If there is any surplus after payment of the foregoing debts, it shall be applied

in payment of interest from the date of the receiving order at the rate of four pounds per centum per annum on all debts proved in the bankruptcy.

(6) Nothing in this section shall alter the effect of section five of the act twenty-eight and twenty-nine Victoria, chapter eighty six, "to amend the law of partnership," or shall prejudice the provisions of the friendly societies act, 1875.

41. (1) Where at the time of the presentation of the bankruptcy petition any person is apprenticed or is an articulated clerk to the bankrupt, the adjudication of bankruptcy shall, if either the bankrupt or apprentice or clerk gives notice in writing to the trustee to that effect, be a complete discharge of the indenture of apprenticeship or articles of agreement; and if any money has been paid by or on behalf of the apprentice or clerk to the bankrupt as a fee, the trustee may, on the application of the apprentice or clerk, or of some person on his behalf, pay such sum as the trustee, subject to an appeal to the court, thinks reasonable, out of the bankrupt's property, to or for the use of the apprentice or clerk, regard being had to the amount paid by him or on his behalf, and to the time during which he served with the bankrupt under the indenture or articles before the commencement of the bankruptcy, and to the other circumstances of the case.

(2) Where it appears expedient to a trustee, he may, on the application of any apprentice or articulated clerk to the bankrupt, or any person acting on behalf of such apprentice or articulated clerk, instead of acting under the preceding provisions of this section, transfer the indenture of apprenticeship or articles of agreement to some other person.

42. (1) The landlord or other person to whom any rent is due from the bankrupt may at any time, either before or after the commencement of the bankruptcy, distrain upon the goods or effects of the bankrupt for the rent due to him from the bankrupt, with this limitation, that if such distress for rent be levied after the commencement of the bankruptcy it shall be available only for one year's rent accrued due prior to the date of the order of adjudication, but the landlord or other person to whom the rent may be due from the bankrupt may prove under the bankruptcy for the surplus due for which the distress may not have been available.

(2) For the purposes of this section the term "order of adjudication" shall be deemed to include an order for the administration of the estate of a debtor whose debts do not exceed fifty pounds, or of a deceased person who dies insolvent.

PROPERTY AVAILABLE FOR PAYMENT OF DEBTS.

43. The bankruptcy of a debtor, whether the same takes place on the debtor's own petition or upon that of a creditor or creditors, shall be deemed to have relation back to, and to commence at, the time of the act of bankruptcy being committed on which a receiving order is made against him, or, if the bankrupt is proved to have committed more acts of bankruptcy than one, to have relation back to, and to commence at, the time of the first of the acts of bankruptcy proved to have been committed by the bankrupt within three months next preceding the date of the presentation of the bankruptcy petition; but no bankruptcy petition, receiving order, or adjudication shall be rendered invalid by reason of any act of bankruptcy anterior to the debt of the petitioning creditor.

44. The property of the bankrupt divisible amongst his creditors, and in this act referred to as the property of the bankrupt, shall not comprise the following particulars:

(1) Property held by the bankrupt on trust for any other person.

(2) The tools (if any) of his trade and the necessary wearing apparel and bedding of himself, his wife, and children, to a value, inclusive of tools and apparel and bedding, not exceeding twenty pounds in the whole.

But it shall comprise the following particulars:

(i) All such property as may belong to or be vested in the bankrupt at the commencement of the bankruptcy, or may be acquired by or devolve on him before his discharge; and,

(ii) The capacity to exercise and to take proceedings for exercising all such powers in or over or in respect of property as might have been exercised by the bankrupt for his own benefit at the commencement of his bankruptcy or before his discharge, except the right of nomination to a vacant ecclesiastical benefice; and,

(iii) All goods being, at the commencement of the bankruptcy, in the possession, order, or disposition of the bankrupt, in his trade or business, by the consent and permission of the true owner, under such circumstances that he is the reputed owner thereof; provided that things in action other than debts due or growing due to the bankrupt in the course of his trade or business, shall not be deemed goods within the meaning of this section.

EFFECT OF BANKRUPTCY ON ANTECEDENT TRANSACTIONS.

45. (1) Where a creditor has issued execution against the goods or lands of a debtor, or has attached any debt due to him, he shall not be entitled to retain the benefit of the execution or attachment against the trustee in bankruptcy of the debtor, unless he has completed the execution or attachment before the date of the receiving order, and before notice of the presentation of any bankruptcy petition by or against the debtor, or of the commission of any available act of bankruptcy by the debtor.

(2) For the purposes of this act, an execution against goods is completed by seizure and sale; an attachment of a debt is completed by receipt of the debt; and an execution against land is completed by seizure, or, in the case of an equitable interest, by the appointment of a receiver.

46. (1) Where the goods of a debtor are taken in execution, and before the sale thereof notice is served on the sheriff that a receiving order has been made against the debtor, the sheriff shall, on request, deliver the goods to the official receiver or trustee under the order, but the costs of the execution shall be a charge on the goods so delivered, and the official receiver or trustee may sell the goods or an adequate part thereof for the purpose of satisfying the charge.

(2) Where the goods of a debtor are sold under an execution in respect of a judgment for a sum exceeding twenty pounds, the sheriff shall deduct the costs of the execution from the proceeds of sale, and retain the balance for fourteen days, and if within that time notice is served on him of a bankruptcy petition having been presented against or by the debtor, and the debtor is adjudged bankrupt thereon or on any other petition of which the sheriff has notice, the sheriff shall pay the balance to the trustee in the bankruptcy, who shall be entitled to retain the same as against the execution creditor, but otherwise he shall deal with it as if no notice of the presentation of a bankruptcy petition had been served on him.

(3) An execution levied by seizure and sale on the goods of a debtor is not invalid by reason only of its being an act of bankruptcy, and a person who purchases the goods in good faith under a sale by the sheriff shall in all cases acquire a good title to them against the trustee in bankruptcy.

47. (1) Any settlement of property not being a settlement made before and in consideration of marriage, or made in favor of a purchaser or incumbrancer in good faith and for valuable consideration, or a settlement made on or for the wife or children of the settlor of property which has accrued to the settlor after marriage in right of his wife, shall, if the settlor becomes bankrupt within two years after the date of the settlement, be void against the trustee in the bankruptcy, and shall, if the settlor becomes bankrupt at any subsequent time within ten years after the date of the settlement, be void against the trustee in the bankruptcy, unless the parties claiming under the settlement can prove that the settlor was at the time of making the settlement able to pay all his debts without the aid of the property comprised in the settlement, and that the interest of the settlor in such property had passed to the trustee of such settlement on the execution thereof.

(2) Any covenant or contract made in consideration of marriage, for the future settlement on or for the settlor's wife or children of any money or property, wherein he had not at the date of his marriage any estate or interest, whether vested or contingent in possession or remainder, and not being money or property of or in right of his wife, shall, on his becoming bankrupt before the property or money has been actually transferred or paid pursuant to the contract or covenant, be void against the trustee in the bankruptcy.

(3) "Settlement" shall for the purposes of this section include any conveyance or transfer of property.

48. (1) Every conveyance or transfer of property, or charge thereon made, every payment made, every obligation incurred, and every judicial proceeding taken or suffered by any person unable to pay his debts as they become due from his own money in favor of any creditor, or any person in trust for any creditor, with a view of giving such creditor a preference over the other creditors shall, if the person making, taking, paying, or suffering the same is adjudged bankrupt on a bankruptcy petition presented within three months after the date of making, taking, paying, or suffering the same, be deemed fraudulent and void as against the trustee in the bankruptcy.

(2) This section shall not affect the rights of any person making title in good faith and for valuable consideration through or under a creditor of the bankrupt.

49. Subject to the foregoing provisions of this act with respect to the effect of bankruptcy on an execution or attachment, and with respect to the avoidance of certain settlements and preferences, nothing in this act shall invalidate, in the case of a bankruptcy—

(a) Any payment by the bankrupt to any of his creditors.

(b) Any payment or delivery to the bankrupt.

(c) Any conveyance or assignment by the bankrupt for valuable consideration.

(d) Any contract, dealing, or transaction by or with the bankrupt for valuable consideration.

Provided that both the following conditions are complied with, namely:

(1) The payment, delivery, conveyance, assignment, contract, dealing, or transaction, as the case may be, takes place before the date of the receiving order; and

(2) The person (other than the debtor) to, by, or with whom the payment, delivery, conveyance, assignment, contract, dealing, or transaction was made, executed, or entered into, has not at the time of the payment, delivery, conveyance, assignment, contract, dealing, or transaction, notice of any available act of bankruptcy committed by the bankrupt before that time.

REALIZATION OF PROPERTY.

50. (1) The trustee shall, as soon as may be, take possession of the deeds, books, and documents of the bankrupt, and all other parts of his property capable of manual delivery.

(2) The trustee shall, in relation to and for the purpose of acquiring or retaining possession of the property of the bankrupt, be in the same position as if he were a receiver of the property appointed by the high court, and the court may on his application, enforce such acquisition or retention accordingly.

(3) Where any part of the property of the bankrupt consists of stock, shares in ships, shares, or any other property transferable in the books of any company, office, or person, the trustee may exercise the right to transfer the property to the same extent as the bankrupt might have exercised it if he had not become bankrupt.

(4) Where any part of the property of the bankrupt is of copyhold or customary tenure, or is any like property passing by surrender and admittance or in any similar manner, the trustee shall not be compellable to be admitted to the property, but may deal with it in the same manner as if it had been capable of being and had been duly surrendered or otherwise conveyed to such uses as the trustee may appoint; and any appointee of the trustee shall be admitted to or otherwise invested with the property accordingly.

(5) Where any part of the property of the bankrupt consists of things in action, such things shall be deemed to have been duly assigned to the trustee.

(6) Any treasurer or other officer, or any banker, attorney, or agent of a bankrupt, shall pay and deliver to the trustee all money and securities in his possession or power, as such officer, banker, attorney, or agent, which he is not by law entitled to retain as against the bankrupt or the trustee. If he does not he shall be guilty of a contempt of court, and may be punished accordingly on the application of the trustee.

51. Any person acting under warrant of the court may seize any part of the property of a bankrupt in the custody or possession of the bankrupt, or of any other person, and with a view to such seizure may break open any house, building, or room of the bankrupt where the bankrupt is supposed to be, or any building or receptacle of the bankrupt where any of his property is supposed to be; and where the court is satisfied that there is reason to believe that property of the bankrupt is concealed in a house or place not belonging to him, the court may, if it thinks fit, grant a search warrant to any constable or officer of the court, who may execute it according to its tenor.

52. (1) Where a bankrupt is a beneficed clergyman, the trustee may apply for a sequestration of the profits of the benefice, and the certificate of the appointment of the trustee shall be sufficient authority for the granting of sequestration without any writ or other proceeding, and the same shall accordingly be issued as on a writ of *levari facias* founded on a judgment against the bankrupt, and shall have priority over any other sequestration issued after the commencement of the bankruptcy in respect of a debt provable in the bankruptcy, except a sequestration issued before the date of the receiving order by or on behalf of a person who at the time of the issue thereof had not notice of an act of bankruptcy committed by the bankrupt, and available for grounding a receiving order against him.

(2) The bishop of the diocese in which the benefice is situate may, if he thinks fit, appoint to the bankrupt such or the like stipend as he might by law have appointed to a curate duly licensed to serve the benefice in case the bankrupt had been non-resident, and the sequestrator shall pay the sum so appointed out of the profits of the benefice to the bankrupt, by quarterly installments while he performs the duties of the benefice.

(3) The sequestrator shall also pay out of the profits of the benefice the salary payable to any duly licensed curate of the church of the benefice in respect of duties performed by him as such during four months before the date of the receiving order, not exceeding fifty pounds.

(4) Nothing in this section shall prejudice the operation of the Ecclesiastical Dilapidations Act, 1871, or the Sequestration Act, 1871, or any mortgage or charge duly created

under any act of Parliament before the commencement of the bankruptcy on the profit of the benefice.

53. (1) Where a bankrupt is an officer of the army or navy, or an officer or clerk or otherwise employed or engaged in the civil service of the Crown, the trustee shall receive for distribution amongst the creditors so much of the bankrupt's pay or salary as the court, on the application of the trustee, with the consent of the chief officer of the department under which the pay or salary is enjoyed, may direct. Before making any order under this subsection the court shall communicate with the chief officer of the department as to the amount, time, and manner of the payment to the trustee, and shall obtain the written consent of the chief officer to the terms of such payment.

(2) Where a bankrupt is in the receipt of a salary or income other than as aforesaid, or is entitled to any half pay, or pension, or to any compensation granted by the treasury, the court, on the application of the trustee, shall from time to time make such order as it thinks just for the payment of the salary, income, half pay, pension or compensation, or of any part thereof, to the trustee, to be applied by him in such manner as the court may direct.

(3) Nothing in this section shall take away or abridge any power of the chief officer of any public department to dismiss a bankrupt, or to declare the pension, half pay or compensation of any bankrupt to be forfeited.

54. (1) Until a trustee is appointed the official receiver shall be the trustee for the purposes of this act, and immediately on a debtor being adjudged bankrupt, the property of the bankrupt shall vest in the trustee.

(2) On the appointment of a trustee the property shall forthwith pass to and vest in the trustee appointed.

(3) The property of the bankrupt shall pass from trustee to trustee, including under that term the official receiver when he fills the office of trustee, and shall vest in the trustee for the time being during his continuance in office, without any conveyance, assignment, or transfer whatever.

(4) The certificate of appointment of a trustee shall, for all purposes of any law in force in any part of the British dominions requiring registration, enrollment, or recording of conveyances or assignments of property, be deemed to be a conveyance or assignment of property, and may be registered, enrolled, and recorded accordingly.

55. (1) Where any part of the property of the bankrupt consists of land of any tenure burdened with onerous covenants, of shares or stock in companies, of unprofitable contracts, or of any other property that is unsalable, or not readily salable, by reason of its binding the possessor thereof to the performance of any onerous act, or to the payment of any sum of money, the trustee, notwithstanding that he has endeavored to sell or has taken possession of the property, or exercised any act of ownership in relation thereto, but subject to the provisions of this section, may, by writing signed by him, at any time within three months after the first appointment of a trustee, disclaim the property.

Provided that where any such property shall not have come to the knowledge of the trustee within one month after such appointment, he may disclaim such property at any time within two months after he first became aware thereof.

(2) The disclaimer shall operate to determine, as from the date of disclaimer, the rights, interests, and liabilities of the bankrupt and his property in or in respect of the property disclaimed, and shall also discharge the trustee from all personal liability in respect of the property disclaimed as from the date when the property vested in him, but shall not, except so far as is necessary for the purpose of releasing the bankrupt and his property and the trustee from liability, affect the rights or liabilities of any other person.

(3) A trustee shall not be entitled to disclaim a lease without the leave of the court, except in any cases which may be prescribed by general rules, and the court may, before or on granting such leave, require such notices to be given to persons interested, and impose such terms as a condition of granting leave, and make such orders with respect to fixtures, tenant's improvements, and other matters arising out of the tenancy as the court thinks just.

(4) The trustee shall not be entitled to disclaim any property in pursuance of this section in any case where an application in writing has been made to the trustee by any person interested in the property requiring him to decide whether he will disclaim or not, and the trustee has for a period of twenty-eight days after the receipt of the application, or such extended period as may be allowed by the court, declined or neglected to give notice whether he disclaims the property or not; and in case of a contract, if the trustee, after such application as aforesaid, does not within the said period or extended period disclaim the contract, he shall be deemed to have adopted it.

(5) The court may on the application of any person who is, as against the trustee, entitled to the benefit or subject to the burden of a contract made with the bankrupt, make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise, as to the

court may seem equitable, and any damages payable under the order to any such person may be proved by him as a debt under the bankruptcy.

(6) The court may, on application by any person either claiming any interest in any disclaimed property, or under any liability not discharged by this act in respect of any disclaimed property, and on hearing such persons as it thinks fit, make an order for the vesting of the property in or delivery thereof to any person entitled thereto, or to whom it may seem just that the same should be delivered by way of compensation for such liability as aforesaid, or a trustee for him, and on such terms as the court thinks just; and on any such vesting order being made, the property comprised therein shall vest accordingly in the person therein named in that behalf without any conveyance or assignment for the purpose.

Provided always, that where the property disclaimed is of a leasehold nature, the court shall not make a vesting order in favor of any person claiming under the bankrupt, whether as under-lessee or as mortgagee by demise, except upon the terms of making such person subject to the same liabilities and obligations as the bankrupt was subject to under the lease in respect of the property at the date when the bankruptcy petition was filed, any mortgagee or under-lessee declining to accept a vesting order upon such terms shall be excluded from all interest in and security upon the property, and if there shall be no person claiming under the bankrupt who is willing to accept an order upon such terms, the court shall have power to vest the bankrupt's estate and interest in the property in any person liable either personally or in a representative character, and either alone or jointly with the bankrupt to perform the lessee's covenants in such lease, freed and discharged from all estates, incumbrances, and interests created by the bankrupt.

(7) Any person injured by the operation of a disclaimer under this section shall be deemed to be a creditor of the bankrupt to the extent of the injury, and may accordingly prove the same as a debt under the bankruptcy.

56. Subject to the provisions of this act, the trustee may do all or any of the following things:

(1) Sell all or any part of the property of the bankrupt (including the goodwill of the business, if any, and the book debts due or growing due to the bankrupt), by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels:

(2) Give receipts for any money received by him, which receipts shall effectually discharge the person paying the money from all responsibility in respect of the application thereof:

(3) Prove, rank, claim, and draw a dividend in respect of any debt due to the bankrupt:

(4) Exercise any powers the capacity to exercise which is vested in the trustee under this act, and execute any powers of attorney, deeds, and other instruments for the purpose of carrying into effect the provisions of this act:

(5) Deal with any property to which the bankrupt is beneficially entitled as tenant in tail in the same manner as the bankrupt might have dealt with it; and sections fifty-six to seventy-three (both inclusive) of the act of the session of the third and fourth years of the reign of King William the Fourth (chapter seventy-four), "for the abolition of fines and recoveries, and for the substitution of more simple modes of assurance," shall extend and apply to proceedings under this act, as if those sections were here re-enacted and made applicable in terms to those proceedings.

57. The trustee may, with the permission of the committee of inspection, do all or any of the following things:

(1) Carry on the business of the bankrupt, so far as may be necessary for the beneficial winding up of the same.

(2) Bring, institute, or defend any action or other legal proceeding relating to the property of the bankrupt.

(3) Employ a solicitor or other agent to take any proceedings or do any business which may be sanctioned by the committee of inspection.

(4) Accept as the consideration for the sale of any property of the bankrupt a sum of money payable at a future time subject to such stipulations as to security and otherwise as the committee think fit.

(5) Mortgage or pledge any part of the property of the bankrupt for the purpose of raising money for the payment of his debts.

(6) Refer any dispute to arbitration, compromise all debts, claims, and liabilities, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the bankrupt and any person who may have incurred any liability to the bankrupt, on the receipt of such sums, payable at such times, and generally on such terms as may be agreed on.

(7) Make such compromise or other arrangement as may be thought expedient with creditors, or persons claiming to be creditors, in respect of any debts provable under the bankruptcy.

(8) Make such compromise or other arrangement as may be thought expedient with

respect to any claim arising out of or incidental to the property of the bankrupt made or capable of being made on the trustee by any person or by the trustee on any person.

(9) Divide in its existing form amongst the creditors, according to its estimated value, any property which from its peculiar nature or other special circumstances cannot be readily or advantageously sold.

The permission given for the purposes of this section shall not be a general permission to do all or any of the above-mentioned things, but shall only be a permission to do the same particular thing or things for which permission is sought in the specified case or cases.

DISTRIBUTION OF PROPERTY.

58. (1) Subject to the retention of such sums as may be necessary for the costs of administration, or otherwise, the trustee shall, with all convenient speed, declare and distribute dividends amongst the creditors who have proved their debts.

(2) The first dividend, if any, shall be declared and distributed within four months after the conclusion of the first meeting of creditors, unless the trustee satisfies the committee of inspection that there is sufficient reason for postponing the declaration to a later date.

(3) Subsequent dividends shall, in the absence of sufficient reason to the contrary, be declared and distributed at intervals of not more than six months.

(4) Before declaring a dividend the trustee shall cause notice of his intention to do so to be gazetted in the prescribed manner, and shall also send reasonable notice thereof to each creditor mentioned in the bankrupt's statement who has not proved his debt.

(5) When the trustee has declared a dividend he shall send to each creditor who has proved a notice showing the amount of the dividend and when and how it is payable, and a statement in the prescribed form as to the particulars of the estate.

59. (1) Where one partner of a firm is adjudged bankrupt, a creditor to whom the bankrupt is indebted jointly with the other partners of the firm, or any of them, shall not receive any dividend out of the separate property of the bankrupt until all the separate creditors have received the full amount of their respective debts.

(2) Where joint and separate properties are being administered, dividends of the joint and separate properties shall, subject to any order to the contrary that may be made by the court on the application of any person interested, be declared together; and the expenses of and incident to such dividends shall be fairly apportioned by the trustee between the joint and separate properties, regard being had to the work done for and the benefit received by each property.

60. In the calculation and distribution of a dividend the trustee shall make provision for debts provable in bankruptcy appearing from the bankrupt's statements, or otherwise, to be due to persons resident in places so distant from the place where the trustee is acting that in the ordinary course of communication they have not had sufficient time to tender their proofs, or to establish them if disputed, and also for debts provable in bankruptcy, the subject of claims not yet determined. He shall also make provision for any disputed proofs or claims, and for the expenses necessary for the administration of the estate or otherwise, and, subject to the foregoing provisions, he shall distribute as dividend all money in hand.

61. Any creditor who has not proved his debt before the declaration of any dividend or dividends shall be entitled to be paid out of any money for the time being in the hands of the trustee any dividend or dividends he may have failed to receive before that money is applied to the payment of any future dividend or dividends, but he shall not be entitled to disturb the distribution of any dividend declared before his debt was proved by reason that he has not participated therein.

62. When the trustee has realized all the property of the bankrupt, or so much thereof as can, in the joint opinion of himself and of the committee of inspection, be realized without needlessly protracting the trusteeship, he shall declare a final dividend, but before so doing he shall give notice in manner prescribed to the persons whose claims to be creditors have been notified to him, but not established to his satisfaction, that if they do not establish their claims to the satisfaction of the court within a time limited by the notice, he will proceed to make a final dividend, without regard to their claims. After the expiration of the time so limited, or, if the court on application by any such claimant grant him further time for establishing his claim, then on the expiration of such further time, the property of the bankrupt shall be divided among the creditors who have proved their debts, without regard to the claims of any other persons.

63. No action for a dividend shall lie against the trustee, but if the trustee refuses to pay any dividend the court may, if it thinks fit, order him to pay it, and also to pay out of his own money interest thereon for the time that it is withheld, and the costs of the application.

64. (1) The trustee, with the permission of the committee of inspection, may appoint the bankrupt himself to superintend the management of the property of the bankrupt or of any part thereof, or to carry on the trade (if any) of the bankrupt for the benefit of his creditors, and in any other respect to aid in administering the property in such manner and on such terms as the trustee may direct.

(2) The trustee may from time to time, with the permission of the committee of inspection, make such allowance as he may think just to the bankrupt out of his property for the support of the bankrupt and his family, or in consideration of his services if he is engaged in winding up his estate, but any such allowance may be reduced by the court.

65. The bankrupt shall be entitled to any surplus remaining after payment in full of his creditors, with interest, as by this act provided, and of the costs, charges, and expenses of the proceedings under the bankruptcy petition.

PART IV.

OFFICIAL RECEIVERS AND STAFF OF BOARD OF TRADE.

66. (1) The board of trade may, at any time after the passage of this act, and from time to time, appoint such persons as they think fit to be official receivers of debtors' estates, and may remove any person so appointed from such office. The official receivers of debtors' estates shall act under the general authority and directions of the board of trade, but shall also be officers of the courts to which they are respectively attached.

(2) The number of official receivers so to be appointed, and the districts to be assigned to them, shall be fixed by the board of trade, with the concurrence of the treasury. One person only shall be appointed for each district unless the board of trade, with the concurrence of the treasury, shall otherwise direct; but the same person may, with the like concurrence, be appointed to act for more than one district.

(3) Where more than one official receiver is attached to the court, such one of them as is for the time being appointed by the court for any particular estate shall be the official receiver for the purposes of that estate. The court shall distribute the receiverships of the particular estates among the official receivers in the prescribed manner.

67. (1) The board of trade may from time to time, by order direct that any of its officers mentioned in the order shall be capable of discharging the duties of any official receiver during any temporary vacancy in the office, or during the temporary absence of any official receiver through illness or otherwise.

(2) The board of trade may, on the application of an official receiver, at any time by order nominate some fit person to be his deputy, and to act for him for such time not exceeding two months as the order may fix, and under such conditions as to remuneration and otherwise as may be prescribed.

68. (1) The duties of the official receiver shall have relation both to the conduct of the debtor and to the administration of his estate.

(2) An official receiver may, for the purpose of affidavits verifying proofs, petitions, or other proceedings under this act, administer oaths.

(3) All expressions referring to the trustee under a bankruptcy shall, unless the context otherwise requires, or the act otherwise provides, include the official receiver when acting as trustee.

(4) The trustee shall supply the official receiver with such information, and give him such access to, and facilities for inspecting the bankrupt's books and documents and generally shall give him such aid, as may be requisite for enabling the official receiver to perform his duties under this act.

69. As regards the debtor, it shall be the duty of the official receiver—

(1) To investigate the conduct of the debtor and to report to the court, stating whether there is reason to believe that the debtor has committed any act which constitutes a misdemeanor under the Debtor's Act, 1869, or any amendment thereof, or under this act, or which would justify the court in refusing, suspending, or qualifying an order for his discharge.

(2) To make such other reports concerning the conduct of the debtor as the board of trade may direct.

(3) To take such part as may be directed by the board of trade in the public examination of the debtor.

(4) To take such part and give such assistance, in relation to the prosecution of any fraudulent debtor as the board of trade may direct.

70. (1) As regards the estate of a debtor, it shall be the duty of the official receiver—

(a) Pending the appointment of a trustee, to act as interim receiver of the debtor's estate, and, where a special manager is not appointed, as manager thereof:

(b) To authorize the special manager to raise money or make advances for the purposes of the estate in any case where, in the interest of the creditors, it appears necessary so to do:

(c) To summon and preside at the first meeting of the creditors:

(d) To issue forms of proxy for use at the meetings of creditors:

(e) To report to the creditors as to any proposal which the debtor may have made with respect to the mode of liquidating his affairs:

(f) To advertise the receiving order, the date of the creditors' first meeting and of the debtor's public examination, and such other matters as it may be necessary to advertise:

(g) To act as trustee during any vacancy in the office of trustee.

(2) For the purpose of his duties as interim receiver or manager the official receiver shall have the same powers as if he were a receiver and manager appointed by the high court, but shall, as far as practicable, consult the wishes of the creditors with respect to the management of the debtor's property, and may for that purpose, if he thinks it advisable, summon meetings of the persons claiming to be creditors, and shall not, unless the board of trade otherwise order, incur any expense beyond such as is requisite for the protection of the debtor's property or the disposing of perishable goods.

Provided that when the debtor cannot himself prepare a proper statement of affairs, the official receiver may, subject to any prescribed conditions, and at the expense of the estate, employ some person or persons to assist in the preparation of the statement of affairs.

(3) Every official receiver shall account to the board of trade and pay over all moneys and deal with all securities in such manner as the board from time to time direct.

71. The board of trade may, at any time after the passing of this act, and from time to time, with the approval of the treasury, appoint such additional officers, including official receivers, clerks, and servants (if any) as may be required by the board for the execution of this act, and may dismiss any person so appointed.

PART V.

TRUSTEES IN BANKRUPTCY.

REMUNERATION OF TRUSTEE.

72. (1) Where the creditors appoint any person to be trustee of a debtor's estate, his remuneration (if any) shall be fixed by an ordinary resolution of the creditors, or, if the creditors so resolve, by the committee of inspection, and shall be in the nature of a commission or percentage, of which one part shall be payable on the amount realized, after deducting any sums paid to secured creditors out of the proceeds of their securities, and the other part on the amount distributed in dividend.

(2) If one-fourth in number or value of the creditors dissent from the resolution, or the bankrupt satisfies the board of trade that the remuneration is unnecessarily large, the board of trade shall fix the amount of the remuneration.

(3) The resolution shall express what expenses the remuneration is to cover, and no liability shall attach to the bankrupt's estate, or to the creditors, in respect of any expenses which the remuneration is expressed to cover.

(4) Where no remuneration has been voted to a trustee he shall be allowed out of the bankrupt's estate such proper costs and expenses incurred by him in or about the proceedings of the bankruptcy as the taxing officer may allow.

(5) A trustee shall not, under any circumstances whatever, make any arrangement for or accept from the bankrupt, or any solicitor, auctioneer, or any other person that may be employed about a bankruptcy, any gift, remuneration, or pecuniary or other consideration or benefit whatever beyond the remuneration fixed by the creditors and payable out of the estate, nor shall he make any arrangement for giving up, or give up, any part of his remuneration, either as receiver, manager, or trustee to the bankrupt, or any solicitor or other person that may be employed about a bankruptcy.

COSTS.

73. (1) Where a trustee or manager receives remuneration for his services as such no payment shall be allowed in his accounts in respect of the performance by any other person of the ordinary duties which are required by statute or rules to be performed by himself.

(2) Where the trustee is a solicitor he may contract that the remuneration for his services as trustee shall include all professional services.

(3) All bills and charges of solicitors, managers, accountants, auctioneers, brokers,

and other persons, not being trustees, shall be taxed by the prescribed officer, and no payments in respect thereof shall be allowed in the trustee's accounts without proof of such taxation having been made. The taxing master shall satisfy himself before passing such bills and charges that the employment of such solicitors and other persons, in respect of the particular matters out of which such charges arise, has been duly sanctioned.

(4) Every such person shall, on request by the trustee (which request the trustee shall make a sufficient time before declaring a dividend), deliver his bill of costs or charges to the proper officer for taxation, and if he fails to do so within seven days after receipt of the request, or such further time as the court, on application, may grant, the trustee shall declare and distribute the dividend without regard to any claim by him, and thereupon any such claim shall be forfeited as well against the trustee personally as against the estate.

RECEIPTS, PAYMENTS, ACCOUNTS, AUDIT.

74. (1) An account called the bankruptcy estates account shall be kept by the board of trade with the Bank of England, and all moneys received by the board of trade in respect of proceedings under this act shall be paid to that account.

(2) The account of the accountant in bankruptcy at the Bank of England shall be transferred to the bankruptcy estates account.

(3) Every trustee in bankruptcy shall, in such manner and at such times as the board of trade with the concurrence of the treasury direct, pay the money received by him to the bankruptcy estates account at the Bank of England, and all board of trade shall furnish him with a certificate of receipt of the money so paid.

(4) Provided that if it appears to the committee of inspection that for the purpose of carrying on the debtor's business, or of obtaining advances, or because of the probable amount of the cash balance, or if the committee shall satisfy the board of trade that for any other reason it is for the advantage of the creditors that the trustee should have an account with a local bank, the board of trade shall, on the application of the committee of inspection, authorize the trustee to make his payments into and out of such local bank as the committee may select.

Such account shall be opened and kept by the trustee in the name of the debtor's estate; and any interest receivable in respect of the account shall be part of the assets of the estate.

The trustee shall make his payments into and out of such local bank in the prescribed manner.

(5) Subject to any general rules relating to small bankruptcies under Part VII of this act, where the debtor at the date of the receiving order has an account at a bank, such account shall not be withdrawn until the expiration of seven days from the day appointed for the first meeting of creditors, unless the board of trade, for the safety of the account, or other sufficient cause, order the withdrawal of the account.

(6) If a trustee at any time retains for more than ten days a sum exceeding fifty pounds, or such other amount as the board of trade in any particular case authorize him to retain, then, unless he explains the retention to the satisfaction of the board of trade, he shall pay interest on the amount so retained in excess at the rate of twenty pounds per centum, and shall have no claim for remuneration, and may be removed from his office by the board of trade, and shall be liable to pay any expenses occasioned by reason of his default.

(7) All payments out of money standing to the credit of the board of trade in the bankruptcy estates account shall be made by the Bank of England in the prescribed manner.

75. No trustee in a bankruptcy or under any composition or scheme of arrangement shall pay any sums received by him as trustee into his private banking account.

76. (1) Whenever the cash balance standing to the credit of the bankruptcy estates account is in excess of the amount which in the opinion of the board of trade is required for the time being to answer demands in respect of bankrupt's estates, the board of trade shall notify the same to the treasury, and shall pay over the same or any part thereof as the treasury may require to the treasury, to such account as the treasury may direct, and the treasury may invest the said sums or any part thereof in Government securities to be placed to the credit of the said account.

(2) Whenever any part of the money so invested is, in the opinion of the board of trade, required to answer any demands in respect of bankrupt's estates, the board of trade shall notify to the treasury the amount so required, and the treasury shall thereupon repay to the board of trade such sum as may be required to the credit of the bankruptcy estate's account, and for that purpose may direct the sale of such part of the said securities as may be necessary.

(3) The dividends on the investments under this section shall be paid to such account as the treasury may direct, and regard shall be had to the amount thus derived in fixing the fees payable in respect of bankruptcy proceedings.

77. The treasury may from time to time issue to the board of trade in aid of the votes of Parliament, out of the receipts arising from fees, fee stamps, and dividends on investments under this act, any sums which may be necessary to meet the charges estimated by the board of trade in respect of salaries and expenses under this act.

78. (1) Every trustee shall, at such times as may be prescribed, but not less than twice in each year during his tenure of office, send to the board of trade, or as they direct, an account of his receipts and payments as such trustee.

(2) The account shall be in a prescribed form, shall be made in duplicate, and shall be verified by a statutory declaration in the prescribed form.

(3) The board of trade shall cause the accounts so sent to be audited, and for the purposes of the audit the trustee shall furnish the board with such vouchers and information as the board may require, and the board may at any time require the production of and inspect any books or accounts kept by the trustee.

(4) When any such account has been audited one copy thereof shall be filed and kept by the board, and the other copy shall be filed with the court, and each copy shall be open to the inspection of any creditor, or of the bankrupt, or of any person interested.

79. The trustee shall, whenever required by any creditor so to do, and on payment by such creditor of the prescribed fee, furnish and transmit to such creditor by post a list of the creditors, showing in such list the amount of the debt due to each of such creditors.

80. The trustee shall keep, in manner prescribed, proper books, in which he shall from time to time cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor of the bankrupt may, subject to the control of the court, personally or by his agent inspect any such books.

81. (1) Every trustee in a bankruptcy shall from time to time, as may be prescribed, and not less than once in every year during the continuance of the bankruptcy, transmit to the board of trade a statement showing the proceedings in the bankruptcy up to the date of the statement, containing the prescribed particulars, and made out in the prescribed form.

(2) The board of trade shall cause the statements so transmitted to be examined, and shall call the trustee to account for any misfeasance, neglect, or omission which may appear on the said statements or in his accounts or otherwise, and may require the trustee to make good any loss which the estate of the bankrupt may have sustained by the misfeasance, neglect, or omission.

RELEASE OF TRUSTEE.

82. (1) When the trustee has realized all the property of the bankrupt, or so much thereof as can, in his opinion, be realized without needlessly protracting the trusteeship, and distributed a final dividend, if any, or has ceased to act by reason of a composition having been approved, or has resigned, or has been removed from his office, the board of trade shall on his application, cause a report on his accounts to be prepared, and, on his complying with all the requirements of the board, shall take into consideration the report, and any objection which may be urged by any creditor or person interested against the release of the trustee, and shall either grant or withhold the release accordingly, subject nevertheless to an appeal to the high court.

(2) Where the release of a trustee is withheld the court may, on the application of any creditor or person interested, make such order as it thinks just, charging the trustee with the consequences of any act or default he may have done or made contrary to his duty.

(3) An order of the board releasing the trustee shall discharge him from all liability in respect of any act done or default made by him in the administration of the affairs of the bankrupt, or otherwise in relation to his conduct as trustee, but any such order may be revoked on proof that it was obtained by fraud or by suppression or concealment of any material fact.

(4) Where the trustee has not previously resigned or been removed, his release shall operate as a removal of him from his office, and thereupon the official receiver shall be the trustee.

OFFICIAL NAME.

83. The trustee may sue and be sued by the official name of "the trustee of the property of a bankrupt," inserting the name of the bankrupt, and by that name may in any part of the British dominions or elsewhere hold property of every description, make contracts, sue and be sued, enter into any engagements binding on himself and his successors in office, and do all other acts necessary or expedient to be done in the execution of his office.

APPOINTMENT AND REMOVAL.

84. (1) The creditors may, if they think fit, appoint more persons than one to the office of trustee, and when more persons than one are appointed they shall declare whether any act required or authorized to be done by the trustee is to be done by all or any one or more of such persons, but all such persons are in this act included under the term "trustee," and shall be joint-tenants of the property of the bankrupt.

(2) The creditors may also appoint persons to act as trustees in succession in the event of one or more of the persons first named declining to accept the office of trustee, or failing to give security, or not being approved of by the board of trade.

85. If a receiving order is made against a trustee he shall thereby vacate his office of trustee.

86. (1) The creditors may, by ordinary resolution, at a meeting specially called for that purpose, of which seven days' notice has been given, remove a trustee appointed by them, and may at the same or any subsequent meeting appoint another person to fill the vacancy as hereinafter provided in case of a vacancy in the office of trustee.

(2) If the board of trade are of opinion that a trustee appointed by the creditors is guilty of misconduct, or fails to perform his duties under this act, the board may remove him from his office, but if the creditors, by ordinary resolution, disapprove of his removal, he or they may appeal against it to the high court.

87. (1) If a vacancy occurs in the office of a trustee the creditors in general meeting may appoint a person to fill the vacancy, and thereupon the same proceedings shall be taken as in the case of a first appointment.

(2) The official receiver shall, on the requisition of any creditor, summon a meeting for the purpose of filling any such vacancy.

(3) If the creditors do not within three weeks after the occurrence of a vacancy appoint a person to fill the vacancy, the official receiver shall report the matter to the board of trade, and the board may appoint a trustee; but in such case the creditors or committee of inspection shall have the same power of appointing a trustee as in the case of a first appointment.

(4) During any vacancy in the office of trustee the official receiver shall act as trustee.

VOTING POWERS OF TRUSTEE.

88. The vote of the trustee, or of his partner, clerk, solicitor, or solicitor's clerk, either as creditor or as proxy for a creditor, shall not be reckoned in the majority required for passing any resolution affecting the remuneration or conduct of the trustee.

CONTROL OVER TRUSTEE.

89. (1) Subject to the provisions of this act the trustee shall, in the administration of the property of the bankrupt and in the distribution thereof amongst his creditors have regard to any directions that may be given by resolution of the creditors at any general meeting, or by the committee of inspection, and any directions so given by the creditors at any general meeting shall in case of conflict be deemed to override any directions given by the committee of inspection.

(2) The trustee may from time to time summon general meetings of the creditors for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors, by resolution, either at the meeting appointing the trustee or otherwise may direct, or whenever requested in writing to do so by one fourth in value of the creditors.

(3) The trustee may apply to the court in manner prescribed for directions in relation to any particular matter arising under the bankruptcy.

(4) Subject to the provisions of this act the trustee shall use his own discretion in the management of the estate and its distribution among the creditors.

90. If the bankrupt or any of the creditors, or any other person, is aggrieved by any act or decision of the trustee, he may apply to the court, and the court may confirm, reverse, or modify the act or decision complained of, and make such order in the premises as it thinks just.

91. (1) The board of trade shall take cognizance of the conduct of trustees, and in the event of any trustee not faithfully performing his duties, and duly observing all the requirements imposed on him by statute, rules or otherwise, with respect to the performance of his duties, or in the event of any complaint being made to the board by any creditor in regard thereto, the board shall inquire into the matter and take such action thereon as may be deemed expedient.

(2) The board may at any time require any trustee to answer any inquiry made by them in relation to any bankruptcy in which the trustee is engaged, and may, if

the board think fit, apply to the court to examine on oath the trustee or any other person concerning the bankruptcy.

(3) The board may also direct a local investigation to be made of the books and vouchers of the trustee.

PART VI.

CONSTITUTION, PROCEDURE, AND POWERS OF COURT.

JURISDICTION.

92. (1) The courts having jurisdiction in bankruptcy shall be the high court and county courts.

(2) But the lord chancellor may from time to time, by order under his hand, exclude any county court from having jurisdiction in bankruptcy, and for the purposes of bankruptcy jurisdiction may attach its district or any part thereof to the high court, or to any other county court or courts, and may from time to time revoke or vary any order so made. The lord chancellor may, in like manner and subject to the like conditions, detach the district of any county court or any part thereof from the district and jurisdiction of the high court.

(3) The term "district," when used in this act with reference to a county court, means the district of the court for the purposes of bankruptcy jurisdiction.

(4) A county court which, at the commencement of this act, is excluded from having bankruptcy jurisdiction, shall continue to be so excluded until the lord chancellor otherwise orders.

(5) Periodical sittings for the transaction of bankruptcy business by county courts having jurisdiction in bankruptcy shall be holden at such times and at such intervals as the lord chancellor shall prescribe for each such court.

93. (1) From and after the commencement of this act the London bankruptcy court shall be united and consolidated with and form part of the supreme court of judicature, and the jurisdiction of the London bankruptcy court shall be transferred to the high court.

(2) For the purposes of this union, consolidation, and transfer, and of all matters incidental thereto and consequential thereon, the supreme court of judicature act, 1873, as amended by subsequent acts, shall, subject to the provisions of this act, have effect as if the union, consolidation, and transfer had been effected by that act, except that all expressions referring to the time appointed for the commencement of that act shall be construed as referring to the commencement of this act, and, subject as aforesaid, this act and the said above-mentioned acts shall be read and construed together.

94. (1) Subject to general rules, and to orders of transfer made under the authority of the supreme court of judicature act, 1873, and acts amending it—

(a) All matters pending in the London bankruptcy court at the commencement of this act; and

(b) All matters which would have been within the exclusive jurisdiction of the London bankruptcy court, if this act had not passed; and

(c) All matters in respect of which jurisdiction is given to the high court by this act,

shall be assigned to such division of the high court as the Lord Chancellor may from time to time direct.

(2) All such matters shall, subject as aforesaid, be ordinarily transacted and disposed of by or under the direction of one of the judges of the high court, and the lord chancellor shall, from time to time, assign a judge for that purpose.

(3) Provided that during vacation, or during the illness of the judge so assigned, or during his absence, or for any other reasonable cause, such matters, or any part thereof, may be transacted and disposed of by or under the directions of any judge of the high court named for that purpose by the lord chancellor.

(4) Subject to the provisions of this act, the officers, clerks, and subordinate persons who are, at the commencement of this act, attached to the London bankruptcy court, and their successors, shall be officers of the supreme court of judicature, and shall be attached to the high court.

(5) Subject to general rules, all bankruptcy matters shall be entitled, "In bankruptcy."

95. (1) If the debtor against or by whom a bankruptcy petition is presented has resided or carried on business within the London bankruptcy district as defined by this act, for the greater part of the six months immediately preceding the presentation of the petition, or for a longer period during those six months than in the district of any county court, or is not resident in England, or if the petitioning creditor

is unable to ascertain the residence of the debtor, the petition shall be presented to the high court.

(2) In any other case the petition shall be presented to the county court for the district in which the debtor has resided or carried on business for the longest period during the six months immediately preceding the presentation of the petition.

(3) Nothing in this section shall invalidate a proceeding by reason of its being taken in a wrong court.

96. The London bankruptcy district shall, for the purposes of this act, comprise the city of London and the liberties thereof, and all such parts of the metropolis and other places as are situated within the district of any county court described as a metropolitan county court in the list contained in the third schedule.

97. (1) Subject to the provisions of this act, every court having original jurisdiction in bankruptcy shall have jurisdiction throughout England.

(2) Any proceedings in bankruptcy may at any time, and at any stage thereof, and either with or without application from any of the parties thereto, be transferred by any prescribed authority and in the prescribed manner from one court to another court, or may by the like authority be retained in the court in which the proceedings were commenced, although it may not be the court in which the proceedings ought to have been commenced.

(3) If any question of law arises in any bankruptcy proceeding in a county court which all the parties to the proceeding desire, or which one of them and the judge of the county court may desire, to have determined in the first instance in the high court, the judge shall state the facts, in the form of a special case, for the opinion of the high court. The special case and the proceedings, or such of them as may be required, shall be transmitted to the high court for the purposes of the determination.

98. Subject to the provisions of this act and to general rules the judge of the high court exercising jurisdiction in bankruptcy may exercise in chambers the whole or any part of his jurisdiction.

99. (1) The registrars in bankruptcy of the high court, and the registrars of a county court having jurisdiction in bankruptcy, shall have the powers and jurisdiction in this section mentioned, and any order made or act done by such registrars in the exercise of the said powers and jurisdiction shall be deemed the order or act of the court.

(2) Subject to general rules limiting the powers conferred by this section, a registrar shall have power—

(a) To hear bankruptcy petitions, and to make receiving orders and adjudications thereon.

(b) To hold the public examination of debtors.

(c) To grant orders of discharge where the application is not opposed.

(d) To approve compositions or schemes of arrangement when they are not opposed.

(e) To make interim orders in any case of urgency.

(f) To make any order or exercise any jurisdiction which by any rule in that behalf is prescribed as proper to be made or exercised in chambers.

(g) To hear and determine any unopposed or ex parte application.

(h) To summon and examine any person known or suspected to have in his possession effects of the debtor or to be indebted to him, or capable of giving information respecting the debtor, his dealings, or property.

(3) The registrars in bankruptcy of the high court shall also have power to grant orders of discharge and certificates of removal of disqualifications, and to approve compositions and schemes of arrangement.

(4) A registrar shall not have power to commit for contempt of court.

(5) The lord chancellor may from time to time by order direct that any specified registrar of a county court shall have and exercise all the powers of a bankruptcy registrar of the high court.

100. A county court shall, for the purposes of its bankruptcy jurisdiction, in addition to the ordinary powers of the court, have all the powers and jurisdiction of the high court, and the orders of the court may be enforced accordingly in manner prescribed.

101. Where any moneys or funds have been received by an official receiver or by the board of trade, and the court makes an order declaring that any person is entitled to such moneys or funds, the board of trade shall make an order for the payment thereof to the person so entitled as aforesaid.

102. (1) Subject to the provisions of this act, every court having jurisdiction in bankruptcy under this act shall have full power to decide all questions of priorities and all other questions whatsoever, whether of law or fact, which may arise in any case of bankruptcy coming within the cognizance of the court, or which the court may deem it expedient or necessary to decide for the purpose of doing complete justice or making a complete distribution of property in any such case.

Provided, That the jurisdiction hereby given shall not be exercised by the county court for the purpose of adjudicating upon any claim, not arising out of the bankruptcy,

which might heretofore have been enforced by action in the high court, unless all parties to the proceeding consent thereto, or the money, money's worth, or right in dispute does not in the opinion of the judge exceed in value two hundred pounds.

(2) A court having jurisdiction in bankruptcy under this act shall not be subject to be restrained in the execution of its powers under this act by the order of any other court, nor shall any appeal lie from its decisions, except in manner directed by this act.

(3) If in any proceeding in bankruptcy there arises any question of fact which either of the parties desire to be tried before a jury instead of by the court itself, or which the court thinks ought to be tried by a jury, the court may, if it thinks fit, direct the trial to be had with a jury, and the trial may be had accordingly in the high court in the same manner as if it were the trial of an issue of fact in an action, and in the county court in the manner in which jury trials in ordinary cases are by law held in that court.

(4) Where a receiving order has been made in the high court under this act, the judge by whom such order was made shall have power, if he sees fit, without any further consent, to order the transfer to such judge of any action pending in any other division, brought or continued by or against the bankrupt.

(5) Where default is made by a trustee, debtor, or other person in obeying any order or direction given by the board of trade or by an official receiver or any other officer of the board of trade under any power conferred by this act, the court may, on the application of the board of trade or an official receiver or other duly authorized person, order such defaulting trustee, debtor, or person to comply with the order or direction so given; and the court may also, if it shall think fit, upon any such application, make an immediate order for the committal of such defaulting trustee, debtor, or other person; provided that the power given by this subsection shall be deemed to be in addition to and not in substitution for any other right or remedy in respect of such default.

JUDGMENT DEBTORS.

103. (1) It shall be lawful for the lord chancellor by order to direct that the jurisdiction and powers under section five of the Debtors' Act, 1869, now vested in the high court, shall be assigned to and exercised by the judge to whom bankruptcy business is assigned.

(2) It shall be lawful also for the lord chancellor in like manner to direct that the whole or any part of the said jurisdiction and powers shall be delegated to and exercised by the bankruptcy registrars of the high court.

(3) Any order made under this section may, at any time, in like manner, be rescinded or varied.

(4) Every county court within the jurisdiction of which a judgment debtor is or resides shall have jurisdiction under section five of the Debtors Act, 1869, although the amount of the judgment debt may exceed fifty pounds.

(5) Where, under section five of the Debtor's Act, 1869, application is made by a judgment creditor to a court, having bankruptcy jurisdiction, for the committal of a judgment debtor, the court may, if it thinks fit, decline to commit, and in lieu thereof, with the consent of the judgment creditor, and on payment by him of the prescribed fee, make a receiving order against the debtor. In such case the judgment debtor shall be deemed to have committed an act of bankruptcy at the time the order is made.

(6) General rules under this act may be made for the purpose of carrying into effect the provisions of the Debtor's Act, 1869.

APPEALS.

104. (1) Every court having jurisdiction in bankruptcy under this act may review, rescind, or vary any order made by it under its bankruptcy jurisdiction.

(2) Orders in bankruptcy matters shall, at the instance of any person aggrieved, be subject to appeal as follows:

(a) An appeal shall lie from the order of a county court to Her Majesty's court of appeal.

(b) An appeal shall lie from the order of the high court to Her Majesty's court of appeal.

(c) An appeal shall, with the leave of Her Majesty's court of appeal, but not otherwise, lie from the order of that court to the House of Lords.

(d) No appeal shall be entertained except in conformity with such general rules as may for the time being be in force in relation to the appeal.

PROCEDURE.

105. (1) Subject to the provisions of this act and to general rules, the costs of and incidental to any proceeding in court under this act shall be in the discretion of the court: Provided, That where any issue is tried by a jury the costs shall follow the event, unless, upon application made at the trial, for good cause shown, the judge before whom such issue is tried shall otherwise order.

(2) The court may at any time adjourn any proceedings before it upon such terms, if any, as it may think fit to impose.

(3) The court may at any time amend any written process or proceeding under this act upon such terms, if any, as it may think fit to impose.

(4) Where by this act or by general rules the time for doing any act or thing is limited, the court may extend the time either before or after the expiration thereof, upon such terms, if any, as the court may think fit to impose.

(5) Subject to general rules, the court may in any matter take the whole or any part of the evidence either *viva voce*, or by interrogatories, or upon affidavit, or by commission abroad.

(6) For the purpose of approving a composition or scheme by joint debtors, the court may, if it thinks fit, and on the report of the official receiver that it is expedient so to do, dispense with the public examination of one of such joint debtors if he is unavoidably prevented from attending the examination by illness or absence abroad.

106. Where two or more bankruptcy petitions are presented against the same debtor or against joint debtors, the court may consolidate the proceedings, or any of them, on such terms as the court thinks fit.

107. Where the petitioner does not proceed with due diligence on his petition, the court may substitute as petitioner any other creditor to whom the debtor may be indebted in the amount required by this act in the case of the petitioning creditor.

108. If a debtor by or against whom a bankruptcy petition has been presented dies, the proceedings in the matter shall, unless the court otherwise orders, be continued as if he were alive.

109. The court may at any time, for sufficient reason, make an order staying the proceedings under a bankruptcy petition, either altogether or for a limited time, on such terms and subject to such conditions as the court may think just.

110. Any creditor whose debt is sufficient to entitle him to present a bankruptcy petition against all the partners of a firm may present a petition against any one or more partners of the firm without including the others.

111. Where there are more respondents than one to a petition the court may dismiss the petition as to one or more of them, without prejudice to the effect of the petition as against the other or others of them.

112. Where a receiving order has been made on a bankruptcy petition against or by one member of a partnership, any other bankruptcy petition against or by a member of the same partnership shall be filed in or transferred to the court in which the first-mentioned petition is in course of prosecution, and, unless the court otherwise directs, the same trustee or receiver shall be appointed as may have been appointed in respect of the property of the first-mentioned member of the partnership, and the court may give such directions for consolidating the proceedings under the petitions as it thinks just.

113. Where a member of a partnership is adjudged bankrupt, the court may authorize the trustee to commence and prosecute any action in the names of the trustee and of the bankrupt's partner; and any release by such partner of the debt or demand to which the action relates shall be void; but notice of the application for authority to commence the action shall be given to him, and he may show cause against it, and on his application the court may, if it thinks fit, direct that he shall receive his proper share of the proceeds of the action, and if he does not claim any benefits therefrom he shall be indemnified against costs in respect thereof as the court directs.

114. Where a bankrupt is a contractor in respect of any contract jointly with any person or persons, such person or persons may sue or be sued in respect of the contract without the joinder of the bankrupt.

115. Any two or more persons, being partners, or any person carrying on business under a partnership name, may take proceedings or be proceeded against under this act in the name of the firm, but in such case the court may, on application by any person interested, order the names of the persons who are partners in such firm or the name of such person to be disclosed in such manner, and verified on oath or otherwise, as the court may direct.

OFFICERS.

116. (1) No registrar or other officer attached to any court having jurisdiction in bankruptcy shall, during his continuance in office, be capable of being elected or sitting as a member of the House of Commons.

(2) No registrar or official receiver or other officer attached to any such court shall, during his continuance in office, either directly or indirectly, by himself, his clerk, or partner, act as solicitor in any proceeding in bankruptcy or in any prosecution of a debtor by order of the court, and if he does so act he shall be liable to be dismissed from office.

Provided that nothing in this section shall affect the right of any registrar or officer appointed before the passing of this act to act as solicitor by himself, his clerk, or partner to the extent permitted by section sixty-nine of the bankruptcy act, 1869.

ORDERS AND WARRANTS OF COURT.

117. Any order made by a court having jurisdiction in bankruptcy in England under this act shall be in force in Scotland and Ireland in the courts having jurisdiction in bankruptcy in those parts of the United Kingdom respectively, in the same manner in all respects as if the order had been made by the court hereby required to enforce it; and in like manner any order made by a court having jurisdiction in bankruptcy in Scotland shall be enforced in England and Ireland, and any order made by a court having jurisdiction in bankruptcy in Ireland shall be enforced in England and Scotland by the courts respectively having jurisdiction in bankruptcy in the part of the United Kingdom where the orders may require to be enforced, and in the same manner in all respects as if the order had been made by the court required to enforce it in a case of bankruptcy within its own jurisdiction.

118. The high court, the county courts, the courts having jurisdiction in bankruptcy in Scotland and Ireland, and every British court elsewhere having jurisdiction in bankruptcy or insolvency, and the officers of those courts respectively, shall severally act in aid of and be auxiliary to each other in all matters of bankruptcy, and an order of the court seeking aid, with a request to another of the said courts, shall be deemed sufficient to enable the latter court to exercise, in regard to the matters directed by the order, such jurisdiction as either the court which made the request, or the court to which the request is made, could exercise in regard to similar matters within their respective jurisdictions.

119. (1) Any warrant of a court having jurisdiction in bankruptcy in England may be enforced in Scotland, Ireland, the Isle of Man, the Channel Islands, and elsewhere in Her Majesty's dominions, in the same manner and subject to the same privileges in and subject to which a warrant issued by any justice of the peace against a person for an indictable offense against the laws of England may be executed in those parts of Her Majesty's dominions respectively in pursuance of the acts of Parliament in that behalf.

(2) A search warrant issued by a court having jurisdiction in bankruptcy for the discovery of any property of a debtor may be executed in manner prescribed or in the same manner and subject to the same privileges in and subject to which a search warrant for property supposed to be stolen may be executed according to law.

120. Where the court commits any person to prison, the commitment may be to such convenient prison as the court thinks expedient, and if the jailer of any prison refuses to receive any prisoner so committed he shall be liable for every such refusal to a fine not exceeding one hundred pounds.

PART VII.

SMALL BANKRUPTCIES.

121. When a petition is presented by or against a debtor, if the court is satisfied by affidavit or otherwise, or the official receiver reports to the court that the property of the debtor is not likely to exceed in value three hundred pounds, the court may make an order that the debtor's estate be administered in a summary manner, and thereupon the provisions of this act shall be subject to the following modifications:

(1) If the debtor is adjudged bankrupt the official receiver shall be the trustee in the bankruptcy.

(2) There shall be no committee of inspection, but the official receiver may do with the permission of the board of trade all things which may be done by the trustee with the permission of the committee of inspection.

(3) Such other modifications may be made in the provisions of this act as may be prescribed by general rules with the view of saving expense and simplifying procedure; but nothing in this section shall permit the modification of the provisions of this act relating to the examination or discharge of the debtor.

Provided that the creditors may at any time, by special resolution, resolve that some person other than the official receiver be appointed trustee in the bankruptcy, and thereupon the bankruptcy shall proceed as if an order for summary administration had not been made.

122. (1) Where a judgment has been obtained in a county court and the debtor is

unable to pay the amount forthwith, and alleges that his whole indebtedness amounts to a sum not exceeding fifty pounds, inclusive of the debt for which the judgment is obtained, the county court may make an order providing for the administration of his estate, and for the payment of his debts by instalments or otherwise, and either in full or to such extent as to the county court under the circumstances of the case appears practicable, and subject to any conditions as to his future earnings or income which the court may think just.

(2) The order shall not be invalid by reason only that the total amount of the debts is found at any time to exceed fifty pounds, but in such case the county court may, if it thinks fit, set aside the order.

(3) Where, in the opinion of the county court in which the judgment is obtained, it would be inconvenient that that court should administer the estate, it shall cause a certificate of the judgment to be forwarded to the county court in the district of which the debtor or the majority of the creditors resides or reside, and thereupon the latter county court shall have all the powers which it would have under this section, had the judgment been obtained in it.

(4) Where it appears to the registrar of the county court that property of the debtor exceeds in value ten pounds, he shall, at the request of any creditor, and without fee, issue execution against the debtor's goods, but the household goods, wearing apparel, and bedding of the debtor or his family, and the tools and implements of his trade, to the value in the aggregate of twenty pounds, shall to that extent be protected from seizure.

(5) When the order is made no creditor shall have any remedy against the person or property of the debtor in respect of any debt which the debtor has notified to a county court, except with the leave of that county court, and on such terms as that court may impose; and any county court or inferior court in which proceedings are pending against the debtor in respect of any such debt shall, on receiving notice of the order, stay the proceedings, but may allow costs already incurred by the creditor, and such costs may, on application, be added to the debt notified.

(6) If the debtor makes default in payment of any installment payable in pursuance of any order under this section, he shall, unless the contrary is proved, be deemed to have had since the date of the order the means to pay the sum in respect of which he has made default and to have refused or neglected to pay the same.

(7) The order shall be carried into effect in such manner as may be prescribed by general rules.

(8) Money paid into court under the order shall be appropriated first in satisfaction of the costs of the plaintiff in the action, next in satisfaction of the costs of administration (which shall not exceed two shillings in the pound on the total amount of the debts), and then in liquidation of debts in accordance with the order.

(9) Notice of the order shall be sent to the registrar of county court judgments, and be posted in the office of the county court of the district in which the debtor resides, and sent to every creditor notified by the debtor, or who has proved.

(10) Any creditor of the debtor, on proof of his debt before the registrar, shall be entitled to be scheduled as a creditor of the debtor for the amount of his proof.

(11) Any creditor may in the prescribed manner object to any debt scheduled, or to the manner in which payment is directed to be made by instalments.

(12) Any person who after the date of the order becomes a creditor of the debtor shall, on proof of his debt before the registrar, be scheduled as a creditor of the debtor for the amount of his proof, but shall not be entitled to any dividend under the order until those creditors who are scheduled as having been creditors before the date of the order have been paid to the extent provided by the order.

(13) When the amount received under the order is sufficient to pay each creditor scheduled to the extent thereby provided, and the costs of the plaintiff and of the administration, the order shall be superseded and the debtor shall be discharged from his debts to the scheduled creditors.

(14) In computing the salary of a registrar under the county court acts every creditor scheduled, not being a judgment creditor, shall count as a plaintiff.

PART VIII.

SUPPLEMENTAL PROVISIONS.

APPLICATION OF ACT.

123. A receiving order shall not be made against any corporation, or against any partnership or association, or company registered under the companies act, 1862.

124. If a person having privilege of Parliament commits an act of bankruptcy he may be dealt with under this act in like manner as if he had not such privilege.

125. (1) Any creditor of a deceased debtor whose debt would have been sufficient to support a bankruptcy petition against such debtor, had he been alive, may present

to the court a petition in the prescribed form praying for an order for the administration of the estate of the deceased debtor according to the law of bankruptcy.

(2) Upon the prescribed notice being given to the legal personal representative of the deceased debtor the court may, in the prescribed manner, upon proof of the petitioner's debt, unless the court is satisfied that there is a reasonable probability that the estate will be sufficient for the payment of the debts owing by the deceased, make an order for the administration in bankruptcy of the deceased debtor's estate, or may upon cause shown dismiss such petition with or without costs.

(3) An order of administration under this section shall not be made until the expiration of two months from the date of the grant of probate or letters of administration, unless with the concurrence of the legal personal representative of the deceased debtor, or unless the petitioner proves to the satisfaction of the court that the debtor committed an act of bankruptcy within three months prior to his decease.

(4) A petition for administration under this section shall not be presented to the court after proceedings have been commenced in any court of justice for the administration of the deceased debtor's estate, but that court may in such case, on the application of any creditor, and on proof that the estate is insufficient to pay its debts, transfer the proceedings to the court exercising jurisdiction in bankruptcy, and thereupon such last-mentioned court may, in the prescribed manner, make an order for the administration of the estate of the deceased debtor, and the like consequences shall ensue as under an administration order made on the petition of a creditor.

(5) Upon an order being made for the administration of a deceased debtor's estate, the property of the debtor shall vest in the official receiver of the court, as trustee thereof, and he shall forthwith proceed to realize and distribute the same in accordance with the provisions of this act.

(6) With the modifications hereinafter mentioned, all the provisions of part III. of this act, relating to the administration of the property of a bankrupt, shall, so far as the same are applicable, apply to the case of an administration order under this section in like manner as to an order of adjudication under this act.

(7) In the administration of the property of the deceased debtor under an order of administration the official receiver shall have regard to any claim by the legal personal representative of the deceased debtor to payment of the proper funeral and testamentary expenses incurred by him in and about the debtor's estate, and such claims shall be deemed a preferential debt under the order, and be payable in full, out of the debtor's estate, in priority to all other debts.

(8) If, on the administration of a deceased debtor's estate, any surplus remains in the hands of the official receiver, after payment in full of all the debts due from the debtor, together with the costs of the administration and interest as provided by this act in case of bankruptcy, such surplus shall be paid over to the legal personal representative of the deceased debtor's estate, or dealt with in such other manner as may be prescribed.

(9) Notice to the legal personal representative of a deceased debtor of the presentation by a creditor of a petition under this section shall, in the event of an order for administration being made thereon, be deemed to be equivalent to notice of an act of bankruptcy, and after such notice no payment or transfer of property made by the legal personal representative shall operate as a discharge to him as between himself and the official receiver; save as aforesaid nothing in this section shall invalidate any payment made or any act or thing done in good faith by the legal personal representative before the date of the order for administration.

(10) Unless the context otherwise requires, "court," in this section, means the court within the jurisdiction of which the debtor resided or carried on business for the greater part of the six months immediately prior to his decease; "creditor" means one or more creditors qualified to present a bankruptcy petition, as in this act provided.

(11) General rules for carrying into effect the provisions of this section may be made in the same manner and to the like effect and extent as in bankruptcy.

126. No person, not being a trader within the meaning of the bankruptcy act, 1861, shall be adjudged bankrupt in respect of a debt contracted before the passing of that act.

GENERAL RULES.

127. (1) The lord chancellor may from time to time, with the concurrence of the president of the board of trade, revoke, make, and alter general rules for carrying into effect the objects of this act.

(2) All general rules made under the foregoing provisions of this section shall be laid before Parliament within three weeks after they are made if Parliament is then sitting, and if Parliament is not then sitting, within three weeks after the beginning of the then next session of Parliament, and shall be judicially noticed, and shall have effect as if enacted by this act.

(3) Such general rules as may be required for purposes of this act may be made at any time after the passing of this act.

(4) Provided always, that the said general rules, so made, revoked, or altered, shall not extend the jurisdiction of the court.

(5) After the commencement of this act no general rule under the provisions of this section shall come into operation until the expiration of one month after the same has been made and issued.

FEEs, SALARIES, EXPENDITURE, AND RETURNS.

128. (1) The lord chancellor may, with the sanction of the treasury, from time to time prescribe a scale of fees and percentages to be charged for or in respect of proceedings under this act; and the treasury shall direct by whom and in what manner the same are to be collected, accounted for, and to what account they shall be paid. The board of trade, with the concurrence of the treasury, shall direct whether any and what remuneration is to be allowed to any officer of, or person attached to, the board of trade, performing any duties under this act, and may from time to time vary, increase, or diminish such remuneration as they may see fit.

(2) This section shall come into operation on the passing of this act.

129. (1) The lord chancellor, with the concurrence of the treasury, shall direct whether any and what remuneration is to be allowed to any person (other than an officer of the board of trade) performing any duties under this act, and may from time to time vary, increase, or diminish such remuneration as he may think fit.

(2) This section shall come into operation on the passing of this act.

130. (1) The treasury shall annually cause to be prepared and laid before both Houses of Parliament an account for the year ending with the thirty-first day of March, showing the receipts and expenditure during that year in respect of bankruptcy proceedings, whether commenced under this or any previous act, and the provisions of section twenty-eight of the Supreme Court of Judicature Act, 1875, shall apply to the account as if the account had been required by that section.

(2) The accounts of the board of trade, under this act, shall be audited in such manner as the treasury from time to time direct, and, for the purpose of the account to be laid before Parliament, the board of trade shall make such returns, and give such information as the treasury may from time to time direct.

131. The registrars and other officers of the courts acting in bankruptcy shall make to the board of trade such returns of the business of their respective courts and offices, at such times and in such manner and form as may be prescribed, and from such returns the board of trade shall cause books to be prepared which shall, under the regulations of the board, be open for public information and searches.

The board of trade shall also cause a general annual report of all matters, judicial and financial, within this act, to be prepared and laid before both Houses of Parliament.

EVIDENCE.

132. (1) A copy of the London Gazette containing any notice inserted therein in pursuance of this act shall be evidence of the facts stated in the notice.

(2) The production of a copy of the London Gazette containing any notice of a receiving order, or of an order adjudging a debtor bankrupt, shall be conclusive evidence in all legal proceedings of the order having been duly made, and of its date.

133. (1) A minute of proceedings at a meeting of creditors under this act, signed at the same or the next ensuing meeting, by a person describing himself as, or appearing to be, chairman of the meeting at which the minute is signed, shall be received in evidence without further proof.

(2) Until the contrary is proved, every meeting of creditors in respect of the proceedings whereof a minute has been so signed shall be deemed to have been duly convened and held, and all resolutions passed or proceedings had thereat to have been duly passed or had.

134. Any petition or copy of a petition in bankruptcy, any order or certificate or copy of an order or certificate made by any court having jurisdiction in bankruptcy, any instrument or copy of an instrument, affidavit, or document made or used in the course of any bankruptcy proceedings, or other proceedings had under this act, shall, if it appears to be sealed with the seal of any court having jurisdiction in bankruptcy, or purports to be signed by any judge thereof, or is certified as a true copy by any registrar thereof, be receivable in evidence in all legal proceedings whatever.

135. Subject to general rules, any affidavit to be used in a bankruptcy court may be sworn before any person authorized to administer oaths in the high court, or in the court of chancery of the county palatine of Lancaster, or before any registrar of a bankruptcy court, or before any officer of a bankruptcy court authorized in writing on that behalf by the judge of the court, or, in the case of a person residing in Scot-

land or in Ireland, before a judge ordinary, magistrate, or justice of the peace, or, in the case of a person who is out of the Kingdom of Great Britain and Ireland, before a magistrate or justice of the peace or other person qualified to administer oaths in the country where he resides (he being certified to be a magistrate or justice of the peace, or qualified as aforesaid by a British minister or British consul, or by a notary public).

136. In case of the death of the debtor or his wife, or of a witness whose evidence has been received by any court in any proceeding under this act, the deposition of the person so deceased, purporting to be sealed with the seal of the court, or a copy thereof purporting to be so sealed, shall be admitted as evidence of the matters therein deposed to.

137. Every court having jurisdiction in bankruptcy under this act shall have a seal describing the court in such manner as may be directed by order of the lord chancellor, and judicial notice shall be taken of the seal, and of the signature of the judge or registrar of any such court, in all legal proceedings.

138. A certificate of the board of trade that a person has been appointed trustee under this act shall be conclusive evidence of his appointment.

139. Where by this act an appeal to the high court is given against any decision of the board of trade, or of the official receiver, the appeal shall be brought within twenty-one days from the time when the decision appealed against is pronounced or made.

140. (1) All documents purporting to be orders or certificates made or issued by the board of trade, and to be sealed with the seal of the board, or to be signed by a secretary or assistant secretary of the board, or any person authorized in that behalf by the president of the board, shall be received in evidence, and deemed to be such orders or certificates without further proof unless the contrary is shown.

(2) A certificate signed by the president of the board of trade that any order made, certificate issued, or act done, is the order, certificate, or act of the board of trade shall be conclusive evidence of the fact so certified.

TIME.

141. (1) Where by this act any limited time from or after any date or event is appointed or allowed for the doing of any act or the taking of any proceeding, then in the computation of that limited time the same shall be taken as exclusive of the day of that date or of the happening of that event, and as commencing at the beginning of the next following day; and the act or proceeding shall be done or taken at latest on the last day of that limited time as so computed, unless the last day is a Sunday, Christmas day, good Friday, or Monday or Tuesday in Easter week, or a day appointed for public fast, humiliation or thanksgiving, or a day on which the court does not sit, in which case any act or proceeding shall be considered as done or taken in due time if it is done or taken on the next day afterwards, which shall not be one of the days in this section specified.

(2) Where by this act any act or proceeding is directed to be done or taken on a certain day, then if that day happens to be one of the days in this section specified, the act or proceeding shall be considered as done or taken in due time if it is done or taken the next day afterwards, which shall not be one of the days in this section specified.

NOTICES.

142. All notices and other documents for the service of which no special mode is directed may be sent by prepaid post letter to the last known address of the person to be served therewith.

FORMAL DEFECTS.

143. (1) No proceeding in bankruptcy shall be invalidated by any formal defect or by any irregularity, unless the court before which an objection is made to the proceeding is of opinion that substantial injustice has been caused by the defect or irregularity, and that the injustice cannot be remedied by any order of that court.

(2) No defect or irregularity in the appointment or election of a receiver, trustee, or member of a committee of inspection shall vitiate any act done by him in good faith.

STAMP DUTY.

144. Every deed, conveyance, assignment, surrender, admission, or other assurance relating solely to freehold, leasehold, copyhold, or customary property, or to any mortgage, charge, or other incumbrance on, or any estate, right, or interest in any real or personal property which is part of the estate of any bankrupt, and which, after the execution of the deed, conveyance, assignment, surrender, admission, or other assur-

ance, either at law or in equity, is or remains the estate of the bankrupt or of the trustee under the bankruptcy, and every power of attorney, proxy paper, writ, order, certificate, affidavit, bond, or other instrument or writing relating solely to the property of any bankrupt, or to any proceeding under any bankruptcy, shall be exempt from stamp duty, except in respect of fees under this act.

EXECUTIONS.

145. Where the sheriff sells the goods of a debtor under an execution for a sum exceeding twenty pounds (including legal incidental expenses), the sale shall, unless the court from which the process issued otherwise orders, be made by public auction, and not by bill of sale or private contract, and shall be publicly advertised by the sheriff on and during three days next preceding the day of sale.

146. (1) The sheriff shall not under a writ of *elegit* deliver the goods of a debtor nor shall a writ of *elegit* extend to goods.

(2) No writ of *levari facias* shall hereafter be issued in any civil proceeding.

BANKRUPT TRUSTEE.

147. Where a bankrupt is a trustee within the trustee act, 1850, section thirty-two of that act shall have effect so as to authorize the appointment of a new trustee in substitution for the bankrupt (whether voluntarily resigning or not), if it appears expedient to do so, and all provisions of that act, and of any other act relative thereto, shall have effect accordingly.

CORPORATIONS, &C.

148. For all or any of the purposes of this act a corporation may act by any of its officers authorized in that behalf under the seal of the corporation, a firm may act by any of its members, and a lunatic may act by his committee or curator bonis.

CONSTRUCTION OF FORMER ACTS, &C.

149. (1) Where in any act of Parliament, instrument, or proceeding passed, executed, or taken before the commencement of this act mention is made of a commission of bankruptcy or fiat in bankruptcy, the same shall be construed, with reference to the proceedings under a bankruptcy petition, as if a commission of or a fiat in bankruptcy had been actually issued at the time of the presentation of such petition.

(2) Where by any act or instrument, reference is made to the Bankruptcy Act, 1869, the act or instrument shall be construed and have effect as if reference were made therein to the corresponding provisions of this act.

150. Save as herein provided the provisions of this act relating to the remedies against the property of a debtor, the priorities of debts, the effect of a composition or scheme of arrangement, and the effect of a discharge shall bind the Crown.

151. Nothing in this act, or in any transfer of jurisdiction effected thereby shall take away or affect any right of audience that any person may have had at the commencement of this act, and all solicitors or other persons who had the right of audience before the chief judge in bankruptcy shall have the like right of audience in bankruptcy matters in the high court.

152. Nothing in this act shall affect the provisions of the married women's property act, 1882.

TRANSITORY PROVISIONS.

153. (1) The existing comptroller in bankruptcy and his officers, clerks, and servants shall not be attached to the supreme court, but shall in all respects act under the directions of the board of trade.

(2) The existing official assignee, provisional and official assignee of the estates and effects of insolvent debtors, and receiver of the insolvent debtors' court, together with his staff, the official solicitors and the messenger in bankruptcy, together with his staff, and the accountant in bankruptcy and his staff, and also such other officers and clerks of the London bankruptcy court as the lord chancellor, with the concurrence of the board of trade, may at any time select, shall be transferred to and become officers of the board of trade; provided that the board of trade, with the concurrence of the lord chancellor, may at any time transfer any such officer or clerk from the board of trade to the supreme court.

(3) Subject to the provisions of this act they shall hold their offices by the same tenure and on the same terms and conditions, and be entitled to the same rights in respect of salary and pension as heretofore, and their duties shall, except so far as

altered with their own consent, be such as in the opinion of the board of trade are analogous to those performed by them at the commencement of this act.

(4) On the occurrence, at any time after the passing of this act, of any vacancy in the office of any of the said persons the board of trade may, with the approval of the treasury, make such arrangement as they think fit, either for the abolition of the office, or for its continuance under modified conditions, and may appoint a fit person to perform the remaining duties thereof, and the person so appointed shall have all the powers and authorities of the person who is at the passing of this act the holder of such office; and all estates, rights, and effects vested at the time of the vacancy in any such officer shall by virtue of such appointment become vested in the person so appointed, and the like appointment on a vacancy shall be made, and the like vesting shall have effect from time to time as occasion requires: Provided that any person so appointed shall be an officer of the board of trade, and shall in all respects act under the directions of the board of trade.

(5) The board of trade may, with the approval of the lord chancellor, from time to time direct that any duties or functions, not of a judicial character, relating to any bankruptcies, insolvencies, or other proceedings under any act prior to the bankruptcy act, 1869, which were, at the time of the passing of this act, performed or exercised by registrars of county courts, shall devolve on and be performed by the official receiver, and thereupon all powers and authorities of the registrar, and all estates, rights, and effects vested in the registrar shall become vested in the official receiver.

154. (1) If the lord chancellor is of opinion that any office attached to the London bankruptcy court at the passing of this act is unnecessary, he may, with the concurrence of the treasury, at any time after the passing of this act, abolish the office.

(2) The treasury may, on the petition of any person whose office or employment is abolished by or under this act, on the commencement of this act or on any other event, inquire whether any, and if any, what compensation ought to be made to the petitioner, regard being had to the conditions on which his appointment was made, the nature of his office or employment, and the duration of his service; and if they think that his claim to compensation is established, may award to him, out of moneys to be provided by Parliament, such compensation, by annuity or otherwise, as under the circumstances of the case they think just and reasonable.

(3) The board of trade may, under the like conditions and on the like terms, abolish any of the offices in the last preceding section mentioned.

155. (1) The lord chancellor or board of trade may, at any time after the passing of this act appoint any person whose office is abolished under this act to some other office under this act, the duties of which he is in the opinion of the lord chancellor or board competent to perform. Provided, That the person so appointed shall during his tenure of the new office receive an amount of annual remuneration which, together with the compensation for the loss of the abolished office, is not less than the emoluments of the abolished office.

(2) When, after the commencement of this act, any officer is continued in the performance of any duties relating to bankruptcy or insolvency, under any previous act, the lord chancellor, or, as the case may be, the board of trade may order that such officer may, in addition to such duties, perform any analogous duties under this act, without being entitled to receive any additional remuneration.

156. Every person appointed to any office or employment under this act shall in the first instance be selected from the persons (if any) whose office or employment is abolished under this act, unless in the opinion of the lord chancellor, or in the case of persons to be appointed by the board of trade, of that board, none of such persons are fit for such office or employment: Provided, That the person so appointed or employed shall during his tenure of the new office be entitled to receive an amount of remuneration which, together with the compensation (if any) for loss of the abolished office, shall not be less than the emolument of the abolished office.

157. If any person to whom a compensation annuity is granted under this act accepts any public employment, he shall, during the continuance of that employment, receive only so much (if any) of that annuity as, with the remuneration of that employment, will amount to a sum not exceeding the salary or emoluments in respect of the loss whereof the annuity was awarded, and if the remuneration of that employment is equal to or greater than such salary or emoluments the annuity shall be suspended so long as he receives that remuneration.

158. The registrars, clerks, and other persons holding their offices at the passing of this act, who may be continued in their offices, shall, on their retirement therefrom, be allowed such superannuation as they would have been entitled to receive if this act had not been passed, and they had continued in their offices under the existing acts.

159. In every liquidation by arrangement under the Bankruptcy Act, 1869, pending at the commencement of this act, if at any time after the commencement of this act there is no trustee acting in the liquidation by reason of death, or for any other cause, such of the official receivers of bankrupts' estates as is appointed by the board of trade

for that purpose shall become and be the trustee in the liquidation, and the property of the liquidating debtor shall pass to and vest in him accordingly; but this provision shall not prejudice the right of the creditors in the liquidation to appoint a new trustee, in manner directed by the Bankruptcy Act, 1869, or the rules thereunder; and on such appointment the property of the liquidating debtor shall pass to and vest in the new trustee.

The provisions of this act with respect to the duties and responsibilities of and accounting by a trustee in a bankruptcy under this act shall apply, as nearly as may be, to a trustee acting under the provisions of this section.

160. Where a bankruptcy or liquidation by arrangement under the bankruptcy act, 1869, has been or is hereafter closed, any property of the bankrupt or liquidating debtor which vested in the trustee and has not been realized or distributed shall vest in such person as may be appointed by the board of trade for that purpose, and he shall thereupon proceed to get in, realize, and distribute the property in like manner and with and subject to the like powers and obligations as far as applicable, as if the bankruptcy or liquidation were continuing, and he were acting as trustee thereunder.

161. In every bankruptcy under the Bankruptcy Act, 1869, pending at the commencement of this act, where a registrar of the London bankruptcy court or of any county court is or would hereafter but for this enactment become the trustee under the bankruptcy, such of the official receivers of bankrupts estates as may be appointed by the board of trade for that purpose shall from and after the commencement of this act be the trustee in the place of the registrar, and the property of the bankrupt shall pass to and vest in the official receiver accordingly.

UNCLAIMED FUNDS OR DIVIDENDS.

162. (1) Where the trustee, under any bankruptcy, composition, or scheme pursuant to this act, shall have under his control any unclaimed dividend which has remained unclaimed for more than six months, or where, after making a final dividend, such trustee shall have in his hands or under his control any unclaimed or undistributed moneys arising from the property of the debtor, he shall forthwith pay the same to the bankruptcy estates account at the Bank of England. The board of trade shall furnish him with a certificate of receipt of the money so paid, which shall be an effectual discharge to him in respect thereof.

(2) (a) Where, after the passage of this act, any unclaimed or undistributed funds or dividends in the hands or under the control of any trustee or other person empowered to collect, receive, or distribute any funds or dividends under any act of Parliament mentioned in the fourth schedule, or any petition, resolution, deed, or other proceeding under or in pursuance of any such act, have remained or remain unclaimed or undistributed for six months after the same became claimable or distributable, or in any other case for two years after the receipt thereof by such trustee or other person, it shall be the duty of such trustee or other person forthwith to pay the same to the bankruptcy estates account at the Bank of England. The board of trade shall furnish such trustee or other person with a certificate of receipt of the money so paid, which shall be an effectual discharge to him in respect thereof.

(b) The board of trade may at any time order any such trustee or other person to submit to them an account verified by affidavit of the sums received and paid by him under or in pursuance of any such petition, resolution, deed, or other proceedings as aforesaid, and may direct and enforce an audit of the account.

(c) The board of trade, with the concurrence of the treasury, may from time to time appoint a person to collect and get in all such unclaimed or undistributed funds or dividends, and for the purposes of this section any court having jurisdiction in bankruptcy shall have, and at the instance of the person so appointed, or of the board of trade may, exercise all the powers conferred by this act with respect to the discovery and realization of the property of a debtor, and the provisions of Part I of this act with respect thereto shall, with any necessary modifications, apply to proceedings in this section.

(3) The provisions of this section shall not, except as expressly declared herein, deprive any person of any larger or other right or remedy to which he may be entitled against such trustee or other person.

(4) Any person claiming to be entitled to any moneys paid in to the bankruptcy estates account pursuant to this section may apply to the board of trade for payment to him of the same, and the board of trade, if satisfied that the person claiming is entitled, shall make an order for the payment to such person of the sum due.

Any person dissatisfied with the decision of the board of trade in respect of his claim may appeal to the high court.

(5) The board of trade may at any time after the passing of this act open the account at the Bank of England referred to in this act as the bankruptcy estates account.

PUNISHMENT OF FRAUDULENT DEBTORS.

163. (1) Sections eleven and twelve of the Debtors Act, 1869, relating to the punishment of fraudulent debtors and imposing a penalty for absconding with property, shall have effect as if there were substituted therein for the words "if after the presentation of a bankruptcy petition against him" the words "if after the presentation of a bankruptcy petition by or against him."

(2) The provisions of the Debtors Act, 1869, as to offenses by bankrupts shall apply to any person, whether a trader or not, in respect of whose estate a receiving order has been made as if the term "bankrupt" in that act included a person in respect of whose estate a receiving order had been made.

164. Section sixteen of the Debtors Act, 1869, shall be construed and have effect as if the term "a trustee in any bankruptcy" included the official receiver of a bankrupt's estate, and shall apply to offenses under this act as well as to offenses under the debtors act, 1869.

165. (1) Where there is, in the opinion of the court, ground to believe that the bankrupt or any other person has been guilty of any offense which is by statute made a misdemeanor in cases of bankruptcy, the court may commit the bankrupt or such other person for trial.

(2) For the purpose of committing the bankrupt or such other person for trial, the court shall have all the powers of a stipendiary magistrate as to taking depositions, binding over witnesses to appear, admitting the accused to bail, or otherwise.

Nothing in this sub-section shall be construed as derogating from the powers or jurisdiction of the high court.

166. Where the court orders the prosecution of any person for any offense under the Debtors Act, 1869, or acts amending it, or for any offense arising out of or connected with any bankruptcy proceedings, it shall be the duty of the director of public prosecutions to institute and carry on the prosecution.

167. Where a debtor has been guilty of any criminal offense he shall not be exempt from being proceeded against therefor by reason that he has obtained his discharge, or that a composition or scheme of arrangement has been accepted or approved.

INTERPRETATION.

168. (1) In this act, unless the context otherwise requires—

"The court" means the court having jurisdiction in bankruptcy under this act.

"Affidavit" includes statutory declarations, affirmations, and attestations on honor.

"Available act of bankruptcy" means any act of bankruptcy available for a bankruptcy petition at the date of the presentation of the petition on which the receiving order is made.

"Debt provable in bankruptcy" or "provable debt" includes any debt or liability by this act made provable in bankruptcy.

"Gazetted" means published in the London Gazette.

"General rules" include forms.

"Goods" includes all chattels personal.

"High court" means Her Majesty's high-court of justice.

"Local bank" means any bank in or in the neighborhood of the bankruptcy district in which the proceedings are taken.

"Oath" includes affirmation, statutory declaration, and attestation on honor.

"Ordinary resolution" means a resolution decided by a majority in value of the creditors present, personally or by proxy, at a meeting of creditors, and voting on the resolution.

"Person" includes a body of persons, corporate or unincorporate.

"Prescribed" means prescribed by general rules within the meaning of this act.

"Property" includes money, goods, things in action, land, and every description of property, whether real or personal, and whether situated in England or elsewhere; also, obligations, easements, and every description of estate, interest, and profit, present or future, vested or contingent, arising out of or incident to property as above defined.

"Resolution" means ordinary resolution.

"Secured creditor" means a person holding a mortgage, charge, or lien on the property of the debtor, or any part thereof, as a security for a debt due to him from the debtor.

"Schedule" means schedule to this act.

"Sheriff" includes any officer charged with the execution of a writ or other process.

"Special resolution" means a resolution decided by a majority in number and three-fourths in value of the creditors present, personally or by proxy, at a meeting of creditors, and voting on the resolution.

"Treasury" means the commissioners of Her Majesty's treasury.

"Trustee" means the trustee in bankruptcy of a debtor's estate.

(2) The schedules to this act shall be construed and have effect as part of this act.

REPEAL.

169. (1) The enactments described in the fifth schedule are hereby repealed as from the commencement of this act to the extent mentioned in that schedule.

(2) The repeal effected by this act shall not affect—

(a) Anything done or suffered before the commencement of this act under any enactment repealed by this act; nor

(b) Any right or privilege acquired, or duty imposed, or liability or disqualification incurred, under any enactment so repealed; nor

(c) Any fine, forfeiture, or other punishment incurred or to be incurred in respect of any offense committed or to be committed against any enactment so repealed; nor

(d) The institution or continuance of any proceeding or other remedy, whether under any enactment so repealed or otherwise, for ascertaining any such liability or disqualification, or enforcing or recovering any such fine, forfeiture, or punishment, as aforesaid.

(3) Notwithstanding the repeal effected by this act, the proceedings under any bankruptcy petition, liquidation by arrangement, or composition with creditors under the bankruptcy act, 1869, pending at the commencement of this act shall, except so far as any provision of this act is expressly applied to pending proceedings, continue, and all the provisions of the Bankruptcy Act, 1869, shall, except as aforesaid, apply thereto, as if this act had not passed.

170. After the passing of this act no composition or liquidation by arrangement under sections 125 and 126 of the Bankruptcy Act, 1869, shall be entered into or allowed without the sanction of the court or registrar having jurisdiction in the matter; such sanction shall not be granted unless the composition or liquidation appears to the court or registrar to be reasonable and calculated to benefit the general body of creditors.

SCHEDULES.

THE FIRST SCHEDULE.

MEETINGS OF CREDITORS.

1. The first meeting of creditors shall be summoned for a day not later than fourteen days' after the date of the receiving order, unless the court for any special reason deem it expedient that the meeting be summoned for a later day.

2. The official receiver shall summon the meeting by giving not less than seven days' notice of the time and place thereof in the London Gazette and in a local paper.

3. The official receiver shall also, as soon as practicable, send to each creditor mentioned in the debtor's statement of affairs, a notice of the time and place of the first meeting of creditors, accompanied by a summary of the debtor's statement of affairs, including the causes of his failure, and any observations thereon which the official receiver may think fit to make; but the proceedings at the first meeting shall not be invalidated by reason of any such notice or summary not having been sent or received before the meeting.

4. The meeting shall be held at such place as is in the opinion of the official receiver most convenient for the majority of the creditors.

5. The official receiver or the trustee may at any time summon a meeting of creditors, and shall do so whenever so directed by the court, or so requested in writing by one-fourth in value of the creditors.

6. Meetings subsequent to the first meeting shall be summoned by sending notice of the time and place thereof to each creditor at the address given in his proof, or if he has not proved, at the address given in the debtor's statement of affairs, or at such other address as may be known to the person summoning the meeting.

7. The official receiver, or some person nominated by him, shall be the chairman at the first meeting. The chairman at subsequent meetings shall be such person as the meeting by resolution appoint.

8. A person shall not be entitled to vote as a creditor at the first or any other meeting of creditors unless he has duly proved a debt provable in bankruptcy to be due to him from the debtor, and the proof has been duly lodged before the time appointed for the meeting.

9. A creditor shall not vote at any such meeting in respect of any unliquidated or contingent debt, or any debt the value of which is not ascertained.

10. For the purpose of voting, a secured creditor shall, unless he surrenders his se-

curity, state in his proof the particulars of his security, the date when it was given, and the value at which he assesses it, and shall be entitled to vote only in respect of the balance (if any) due to him, after deducting the value of his security. If he votes in respect of his whole debt he shall be deemed to have surrendered his security unless the court on application is satisfied that the omission to value the security has arisen from inadvertence.

11. A creditor shall not vote in respect of any debt on or secured by a current bill of exchange or promissory note held by him, unless he is willing to treat the liability to him thereon of every person who is liable thereon antecedently to the debtor, and against whom a receiving order has not been made, as a security in his hands, and to estimate the value thereof, and for the purposes of voting, but not for the purposes of dividend, to deduct it from his proof.

12. It shall be competent to the trustee or to the official receiver, within twenty-eight days after a proof estimating the value of a security as aforesaid had been made use of in voting at any meeting, to require the creditor to give up the security for the benefit of the creditors generally on payment of the value so estimated, with an addition thereto of twenty per centum. Provided, that where a creditor has put a value on such security, he may, at any time before he has been required to give up such security as aforesaid, correct such valuation by a new proof, and deduct such new value from his debt, but in that case such addition of twenty per centum shall not be made if the trustee requires the security to be given up.

13. If a receiving order is made against one partner of a firm, any creditor to whom that partner is indebted jointly with the other partners of the firm, or any of them, may prove his debt for the purpose of voting at any meeting of creditors, and shall be entitled to vote thereat.

14. The chairman of the meeting shall have power to admit or reject a proof for the purpose of voting, but his decision shall be subject to appeal to the court. If he is in doubt whether the proof of a creditor should be admitted or rejected, he shall mark the proof as objected to and shall allow the creditor to vote, subject to the vote being declared invalid in the event of the objection being sustained.

15. A creditor may vote either in person or by proxy.

16. Every instrument of proxy shall be in the prescribed form, and shall be issued by the official receiver, or, after the appointment of a trustee, by the trustee, and every insertion therein shall be in the handwriting of the person giving the proxy.

17. A creditor may give a general proxy to his manager or clerk, or any other person in his regular employment. In such case the instrument of proxy shall state the relation in which the person to act thereunder stands to the creditor.

18. A creditor may give a special proxy to any person to vote at any specified meeting, or adjournment thereof, for or against any specific resolution, or for or against any specified person as trustee, or member of a committee of inspection,

19. A proxy shall not be used unless it is deposited with the official receiver or trustee before the meeting at which it is to be used.

20. Where it appears to the satisfaction of the court that any solicitation has been used by or on behalf of a trustee or receiver in obtaining proxies, or in procuring the trusteeship or receivership, except by the direction of a meeting of creditors, the court shall have power, if it think fit, to order that no remuneration shall be allowed to the person by whom or on whose behalf such solicitation may have been exercised, notwithstanding any resolution of the committee of inspection or of the creditors to the contrary.

21. A creditor may appoint the official receiver of the debtor's estate to act in manner prescribed as his general or special proxy.

22. The chairman of a meeting may, with the consent of the meeting, adjourn the meeting from time to time and from place to place.

23. A meeting shall not be competent to act for any purpose, except the election of a chairman, the proving of debts, and the adjournment of the meeting, unless there are present, or represented thereat, at least three creditors, or all the creditors if their number does not exceed three.

24. If within half an hour from the time appointed for the meeting a quorum of creditors is not present or represented, the meeting shall be adjourned to the same day in the following week at the same time and place, or to such other day as the chairman may appoint, not being less than seven or more than twenty-one days.

25. The chairman of every meeting shall cause minutes of the proceedings at the meeting to be drawn up, and fairly entered in a book kept for that purpose, and the minutes shall be signed by him or by the chairman of the next ensuing meeting.

26. No person acting either under a general or special proxy shall vote in favor of any resolution which would directly or indirectly place himself, his partner, or employer, in a position to receive any remuneration out of the estate of the debtor otherwise than as a creditor rateably with the other creditors of the debtor. Provided that where any person holds special proxies to vote for the appointment of himself as trustee he may use the said proxies and vote accordingly.

THE SECOND SCHEDULE.

PROOF OF DEBT.

Proof in ordinary cases.

1. Every creditor shall prove his debt as soon as may be after the making of a receiving order.

2. A debt may be proved by delivering or sending through the post in a prepaid letter to the official receiver, or, if a trustee has been appointed, to the trustee, an affidavit verifying the debt.

3. The affidavit may be made by the creditor himself, or by some person authorized by or on behalf of the creditor. If made by a person so authorized it shall state his authority and means of knowledge.

4. The affidavit shall contain or refer to a statement of account showing the particulars of the debt, and shall specify the vouchers, if any, by which the same can be substantiated. The official receiver or trustee may at any time call for the production of the vouchers.

5. The affidavit shall state whether the creditor is or is not a secured creditor.

6. A creditor shall bear the cost of proving his debt, unless the court otherwise specially orders.

7. Every creditor who has lodged a proof shall be entitled to see and examine the proofs of other creditors before the first meeting, and at all reasonable times.

8. A creditor proving his debt shall deduct therefrom all trade discounts, but he shall not be compelled to deduct any discount, not exceeding five per centum on the net amount of his claim, which he may have agreed to allow for payment in cash.

Proof by secured creditors.

9. If a secured creditor realizes his security he may prove for the balance due to him, after deducting the net amount realized.

10. If a secured creditor surrenders his security to the official receiver or trustee for the general benefit of the creditors, he may prove for his whole debt.

11. If a secured creditor does not either realize or surrender his security, he shall, before ranking for dividend, state in his proof the particulars of his security, the date when it was given, and the value at which he assesses it, and shall be entitled to receive a dividend only in respect of the balance due to him after deducting the value so assessed.

12. (a) Where a security is so valued the trustee may at any time redeem it on payment to the creditor of the assessed value.

(b) If the trustee is dissatisfied with the value at which a security is assessed, he may require that the property comprised in any security so valued be offered for sale at such times and on such terms and conditions as may be agreed on between the creditor and the trustee, or as, in default of such agreement, the court may direct. If the sale be by public auction, the creditor, or the trustee on behalf of the estate, may bid or purchase.

(c) Provided that the creditor may at any time, by notice in writing, require the trustee to elect whether he will or will not exercise his power of redeeming the security or requiring it to be realized, and if the trustee does not, within six months after receiving the notice, signify in writing to the creditor his election to exercise the power, he shall not be entitled to exercise it; and the equity of redemption, or any other interest in the property comprised in the security which is vested in the trustee, shall vest in the creditor, and the amount of his debt shall be reduced by the amount which the security has been valued.

13. Where a creditor has so valued his security, he may at any time amend the valuation and proof on showing to the satisfaction of the trustee, or the court, that the valuation and proof were made bona fide on a mistaken estimate, or that the security has diminished or increased in value since its previous valuation; but every such amendment shall be made at the cost of the creditor, and upon such terms as the court shall order, unless the trustee shall allow the amendment without application to the court.

14. Where a valuation has been amended in accordance with the foregoing rule, the creditor shall forthwith repay any surplus dividend which he may have received in excess of that to which he would have been entitled on the amended valuation, or, as the case may be, shall be entitled to be paid out of any money for the time being available for dividend any dividend or share of dividend which he may have failed to receive by reason of the inaccuracy of the original valuation, before that money is made applicable to the payment of any future dividend, but he shall not be entitled

to disturb the distribution of any dividend declared before the date of the amendment.

15. If a creditor after having valued his security subsequently realizes it, or if it is realized under the provisions of Rule 12, the net amount realized shall be substituted for the amount of any valuation previously made by the creditor, and shall be treated in all respects as an amended valuation made by the creditor.

16. If a secured creditor does not comply with the foregoing rules he shall be excluded from all share in any dividend.

17. Subject to the provisions of Rule 12, a creditor shall in no case receive more than twenty shillings in the pound, and interest as provided by this act.

Proof in respect of distinct contracts.

18. If a debtor was at the date of the receiving order liable in respect of distinct contracts as a member of two or more distinct firms, or as a sole contractor, and also as member of a firm, the circumstance that the firms are in whole or in part composed of the same individuals, or that the sole contractor is also one of the joint contractors, shall not prevent proof in respect of the contracts, against the properties respectively liable on the contracts.

Periodical payments.

19. When any rent or other payment falls due at stated periods, and the receiving order is made at any time other than one of those periods, the person entitled to the rent or payment may prove for a proportionate part thereof up to the date of the order as if the rent or payment grew due from day to day.

Interest.

20. On any debt or sum certain, payable at a certain time or otherwise, whereon interest is not reserved or agreed for, and which is overdue at the date of the receiving order and provable in bankruptcy, the creditor may prove for interest at a rate not exceeding four per centum per annum to the date of the order from the time when the debt or sum was payable, if the debt or sum is payable by virtue of a written instrument at a certain time, and if payable otherwise, then from the time when a demand in writing has been made giving the debtor notice that interest will be claimed from the date of the demand until the time of payment.

Debt payable at a future time.

21. A creditor may prove for a debt not payable when the debtor committed an act of bankruptcy as if it were payable presently, and may receive dividends equally with the other creditors, deducting only thereout a rebate of interest at the rate of five pounds per centum per annum computed from the declaration of a dividend to the time when the debt would have become payable, according to the terms on which it was contracted.

Admission or rejection of proofs.

22. The trustee shall examine every proof and the grounds of the debt, and in writing admit or reject it, in whole or in part, or require further evidence in support of it. If he rejects a proof he shall state in writing to the creditor the grounds of the rejection.

23. If the trustee thinks that a proof has been improperly admitted, the court may, on the application of the trustee, after notice to the creditor who made the proof, expunge the proof or reduce its amount.

24. If a creditor is dissatisfied with the decision of the trustee in respect of a proof, the court may, on the application of the creditor, reverse or vary the decision.

25. The court may also expunge or reduce a proof upon the application of a creditor if the trustee declines to interfere in the matter, or, in the case of a composition or scheme, upon the application of the debtor.

26. For the purpose of any of his duties in relation to proofs, the trustee may administer oaths and take affidavits.

27. The official receiver, before the appointment of a trustee, shall have all the powers of a trustee with respect to the examination, admission, and rejection of proofs, and any act or decision of his in relation thereto shall be subject to the like appeal.

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 The Bow county court of Middlesex.
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STATUTES RELATING TO UNCLAIMED DIVIDENDS.

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7 & 8 Vict. c., 70	An act for facilitating arrangements between debtors and creditors.
12 & 13 Vict., c. 106	The bankruptcy law consolidation act, 1849.
24 & 25 Vict., c. 134	The bankruptcy act, 1861.
32 & 33 Vict., c. 71	The bankruptcy act, 1869.

THE FIFTH SCHEDULE.

ENACTMENTS REPEALED AS TO ENGLAND.

The statutes of Westminster the Second, chapter eighteen, execution either by levying of the lands and goods, or by delivery of goods and half the land; at the choice of the creditor; in part; namely, the words "all the chattels of the debtor saving only his oxen and beasts of the plow, and."

The Debtor's Act, 1869, in part; namely, subsection (b) of section five, and sections twenty-one and twenty-two.

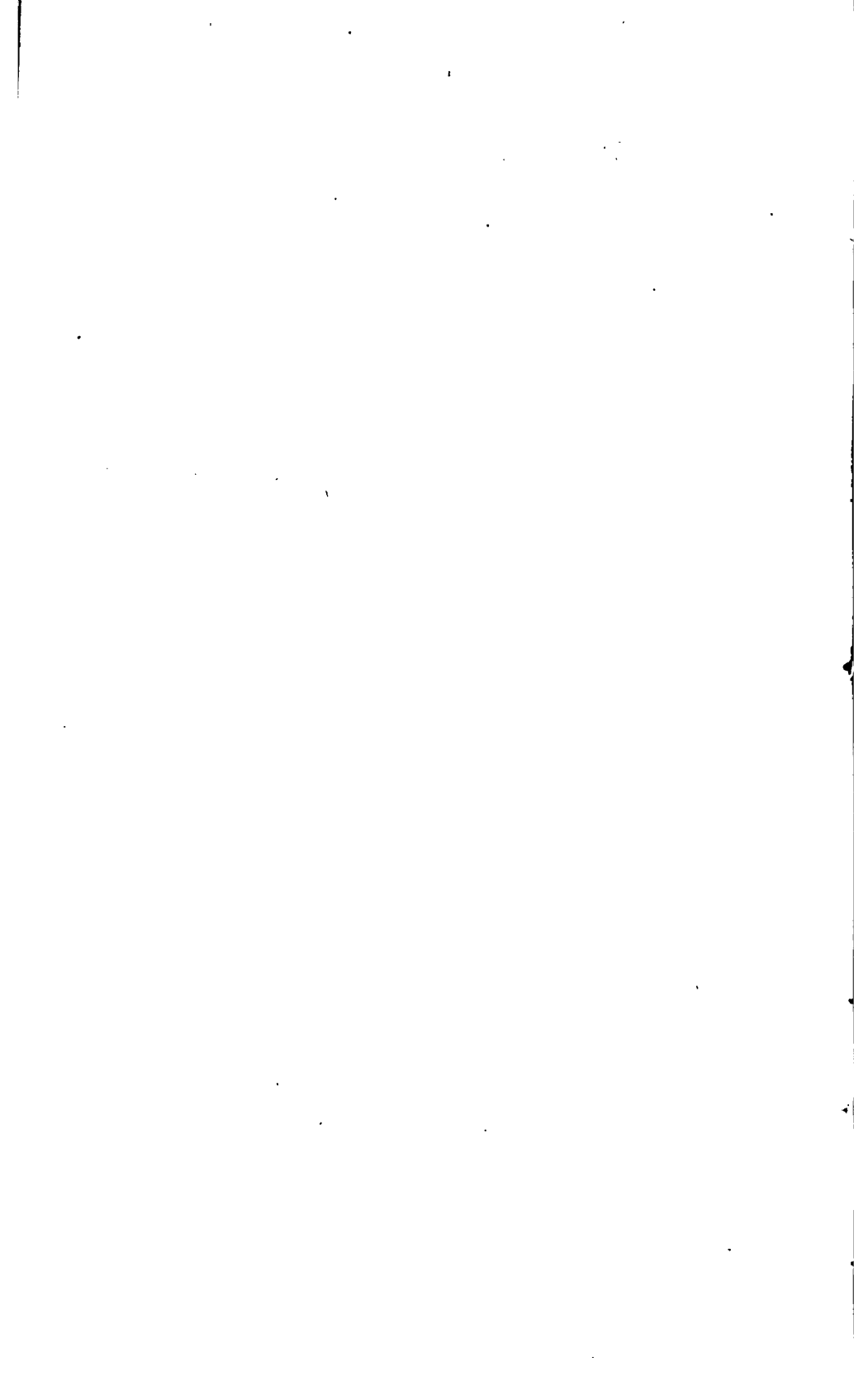
The Bankruptcy Act, 1869.

The Bankruptcy Repeal and Insolvent Court Act, 1869, in part; namely, section nineteen.

The Absconding Debtors Act, 1870.

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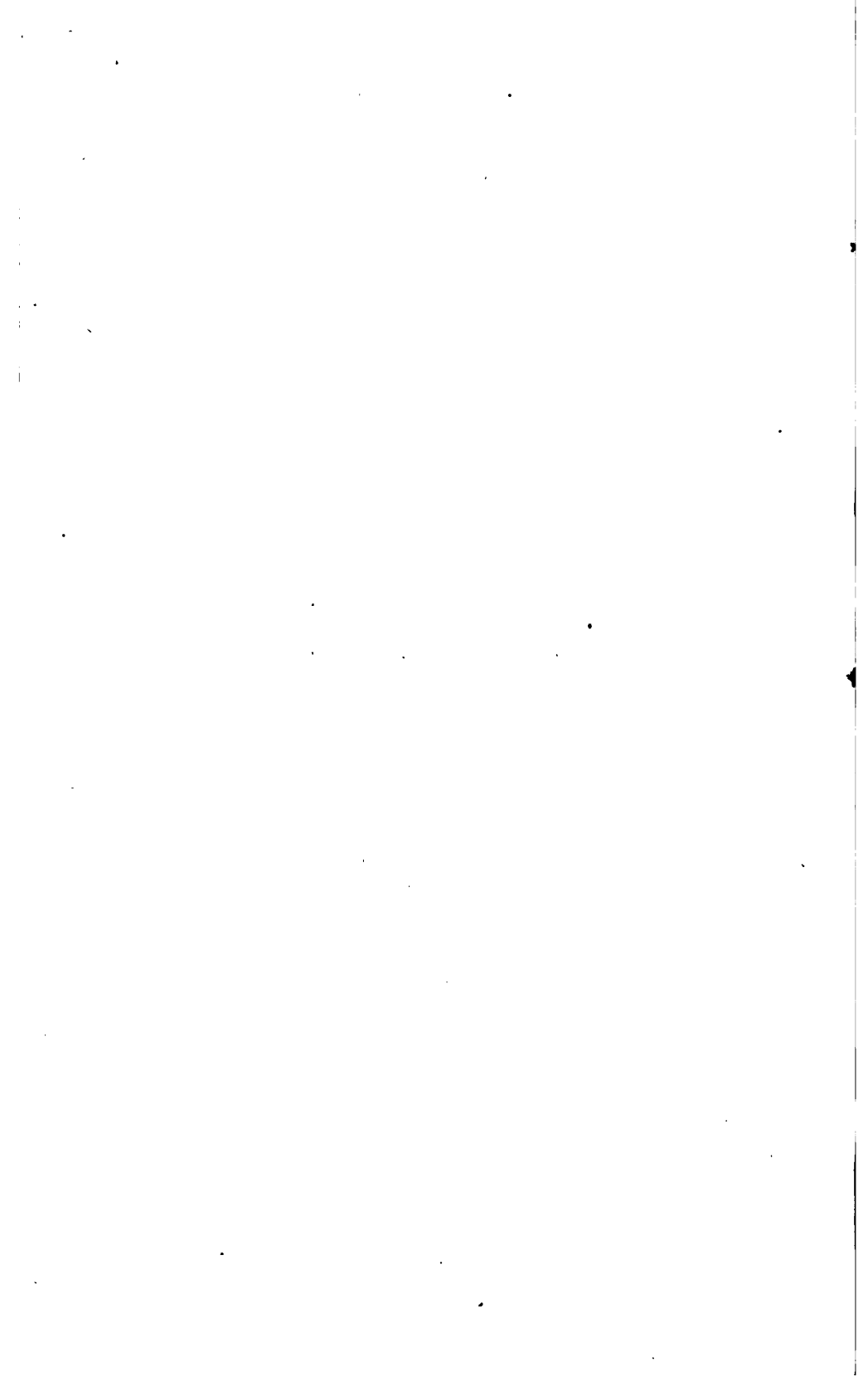
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REPORTS

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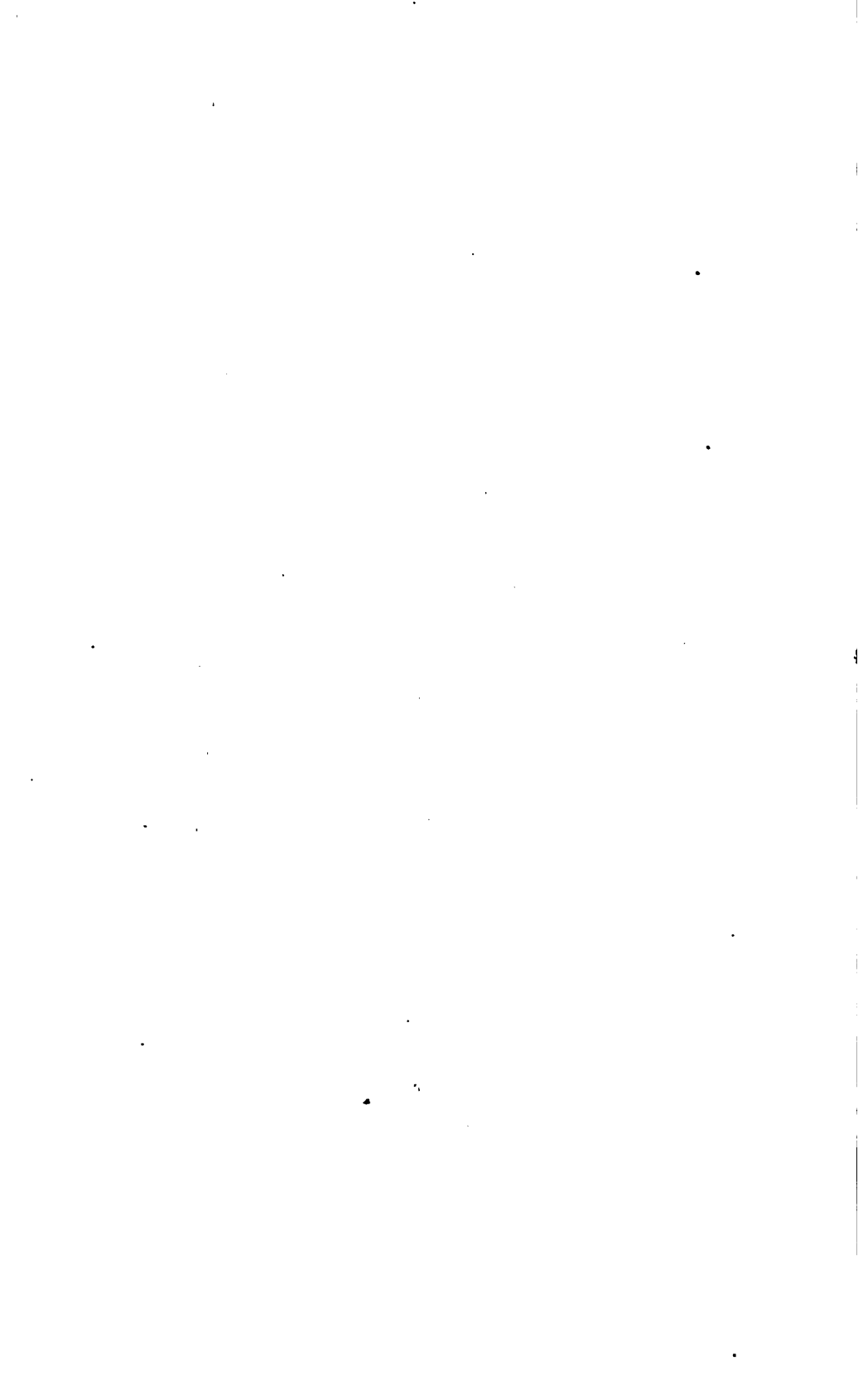
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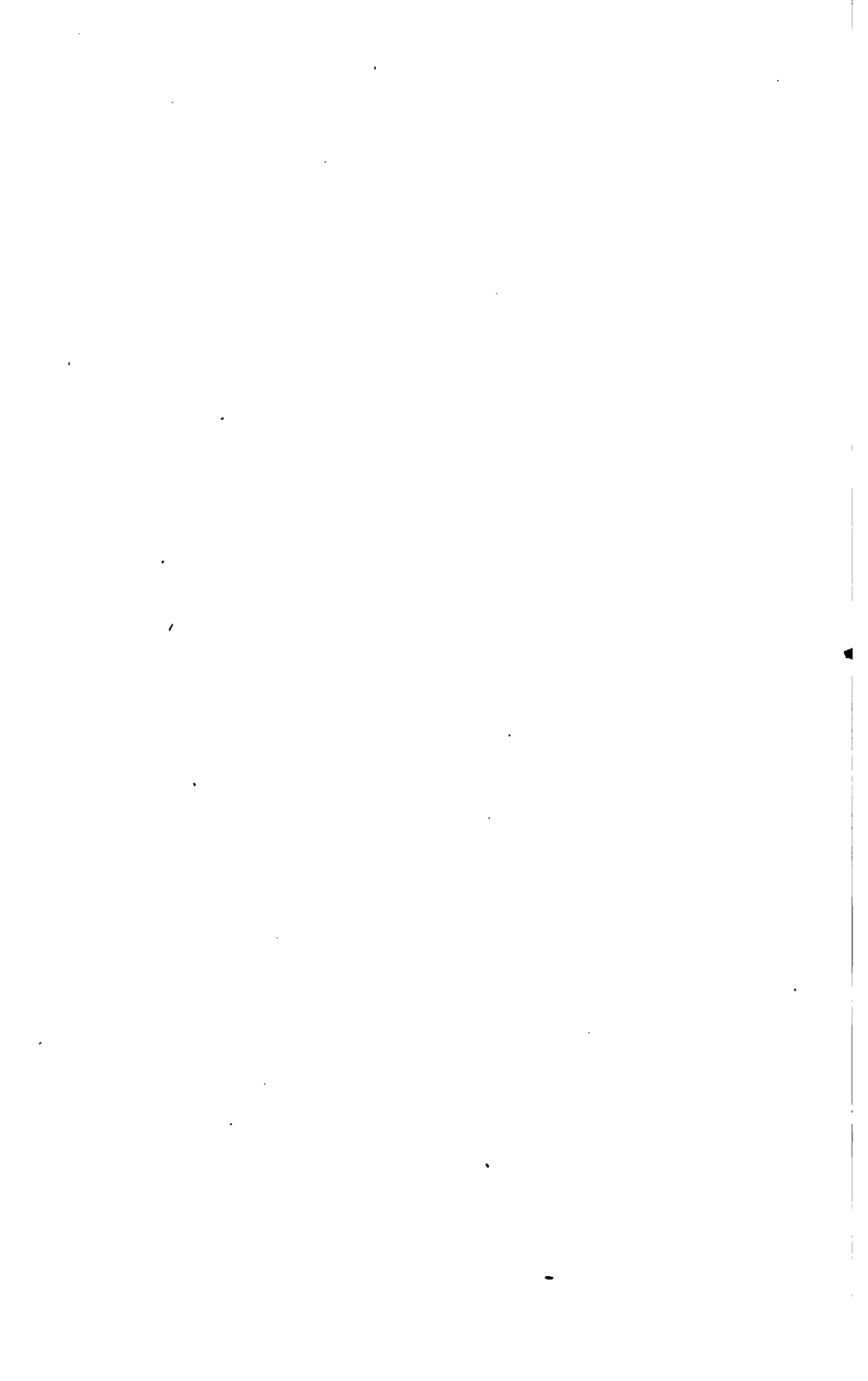
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ON

COMMERCE, MANUFACTURES, ETC.

No. 44.—AUGUST, 1884.

COST OF CONSTRUCTING MACHINERY IN EUROPE.

REPORT BY CONSUL WILLIAMS, OF ROUEN.

A knowledge of the comparative cost of the manufacture of machinery, and the production of coal and metal employed in France, England, Germany, and Belgium, cannot prove otherwise than interesting and instructive to American manufacturers.

In examining this subject it will be necessary to enter somewhat in detail, into the comparative cost of these main expenses of manufacture, viz: coal, labor, and transportation, in all of those countries.

At the recent international exposition at Amsterdam, in the category of contestants for the manufacture of machines, we find that there were 380 exhibits, offered by exhibitors from ten nationalities, divided as follows: French, 70; English, 46; German, 119; Belgian, 86; other countries, 59.

FRENCH MACHINERY.

The following table contains a list of the premiums awarded:

To—	Diplo- mas.	Gold medals.
French exhibits.....	9	31
English exhibits.....	2	8
German exhibits.....	4	19
Belgian exhibits.....	4	15
Other nationalities.....	7	11
Total.....	26	74

France thus received 9 diplomas, equal to 35 per 100, and 21 gold medals, equal to 28 per 100. If France had only received her share, she would have received but 18 per 100 of the prizes.

These figures demonstrate the appreciation which was given to the design and finish of the French machines. But, in the matter of cost, France stood fourth in the list. This inferiority is ascribed to three causes, and it will be remembered that this opinion is obtained from the best French sources.

1. The higher price and inferior quality of the coal.

2. The higher price of labor in France than in Germany and Belgium.

3. The greater cost of transportation.

There is a fourth cause which accounts for the difference in the general expenses, but it will only be hinted at, without laying great stress upon it, as it cannot be so clearly shown as the other causes.

In considering the effect of the difference of price of coal, labor, and transportation, upon the cost of machinery constructed in France, in comparison with that produced in the workshops of England and Germany, the figures for Belgium are not given, because they are included in the cost of coal and labor to France and Germany, the freights are about the same as those of Germany.

The detail is given of the cost in France of nine machines or implements in most general use.

LOCOMOTIVE.

[Mixed six-wheeled express engine, four wheels coupled.]

Materials, &c.	Weight.	Price per 220.460 pounds.	Amount.
	<i>Pounds.</i>		
Cast or rolled steel.....	11,596.196	\$8 29. 9	\$436 18
Steel forgings.....	771. 610	6 75. 5	23 16
Bronze.....	2,028.286	55 89. 1	528 82
Copper and brass.....	6,525.616	42 46	1,244 85
Rolled and sheet iron.....	27,116.580	8 29. 9	1,020 97
Iron forgings.....	28,659.800	7 73	1,003 60
Cast iron.....	9,700.240	6 36. 9	279 85
Wood (0=48).....	440.920		11 58
Materials.....	86,832.198	11 58	4,549 01
The net weight of a locomotive being.....	66,799.380		
The waste is (28 per cent. on the gross weight).....	20,039.818		
Cost price of materials per 220.460 pounds net.....		15 05. 4	
Labor:			
For heavy forgings.....	\$424 60 }		
Fitting, erection, &c.....	1,568 30 }	6 37. 9	1,987 90
Sundry materials, case-hardening, painting, patterns, &c.....		78. 2	250 90
Coal (about 80 tons).....		78. 2	250 90
General charges (100 per cent. on cost of labor).....		6 37. 9	1,987 90
Cost price.....		29 37. 6	9,026 61
Profit, contingencies, interest on capital, 8 to 9 per cent.....		2 50. 9	758 49
Price of a locomotive delivered at works.....	66,799.380	31 88. 5	9,785 10

TENDER.

[For mixed express locomotive.]

Materials, &c.	Weight.	Price per 220.460 pounds.	Amount.
	<i>Pounds.</i>		
Cast steel	2, 270. 788	\$7 72	\$79 13
Steel forgings	288. 598	6 75. 5	8 68. 5
Bronze	220. 460	46 32	46 32
Copper and brass	66. 138	42 46	12 54. 5
Rolled and sheet iron	11, 684. 380	6 17. 6	328 10
Iron forgings	10, 141. 160	6 75. 5	308 80
Cast iron	2, 204. 600	6 36. 9	63 69
Wood	551. 150		17 37
Materials	27, 425. 224	6 94. 8	864 64
The net weight of a tender being	23, 809. 680		
The waste (about 13 per cent. on the gross weight) is	3, 615. 544		
Cost price of materials per 220.460 pounds, delivered		7 92. 3	
Labor:			
For heavy forgings	\$115 80 }	4 06. 5	453 56
Sundries	337 75 }		
Sundry materials, patterns, and painting		78. 6	110 01
Coal (about 18 tons)		57. 9	57 90
General charges		4 06. 5	453 55
Cost price	680	17 41. 8	1, 939 65
Profit, contingencies, and interest on capital, 9 to 10 per cent		16 59. 8	183 35
Price of a tender		19 49. 3	2, 123 00

STEAM BOILER, WITH SUPERHEATER.

[Of 75 square meters heat, with mountings, safety-valve, &c.]

Materials, &c.	Weight.	Price per 220.460 pounds.	Amount.
	<i>Pounds.</i>		
Rolled and sheet iron	24, 691. 520	\$6 94. 8	\$794 19. 5
Iron forgings	2, 204. 600	6 94. 8	69 48
Cast iron	14, 329. 900	4 44. 9	295 29
Bronze	66. 138	63 69	19 30
Copper and brass	57. 320	40 53	10 61. 5
Materials	41, 349. 478	6 19. 1	1, 188 88
The net weight of the boiler being	37, 478. 200		
The waste is (about 60 per cent. of gross weight)	3, 871. 278		
Cost price of materials per 220.460 pounds		6 75. 5	
Labor:			
For forgings	\$286 59. 8 }	1 17. 3	231 60
Erection, riveting, &c.	2, 358 92. 2 }		
Sundries and painting		19. 3	9 65
Coal (about 6 tons)			19 80
General charges (90 per cent. on labor)		1 15. 8	208 44
Cost price	37, 478. 200	9 27. 9	1, 667 87
Profit, contingencies, and interest on capital, 15 to 18 per cent		1 54. 8	272 13
Sale price	37, 478. 200	10 82. 7	1, 890 00

TUBULAR BOILER

[Of 160 square meters heating surface, with iron tubes 70 millimeters in diameter, 5 meters long, with mountings, safety-valves, &c., stamped $5\frac{1}{2}$ atmospheres.]

Materials, &c.	Weight.	Price per 220,460 pounds.	Amount.
	<i>Pounds.</i>		
Rolled and sheet iron	22,046.000	\$6 18.6	\$337 25
Iron forgings	13,227.600	6 94.8	416 88
Cast iron	6,384.260	4 44.9	140 89
Bronze	180.777	54 04	44 39
Copper and brass	22.046	77.2	7.72
Materials	42,810.683	6 87.7	1,287 18
The net weight of copper being	35,934.960		
The waste is (about 15 per cent. on gross weight)	6,875.703		
Cost price of materials per 220,460 pounds		7 52.7	
Labor:			
Forging	\$1,548 22 }	8 47.4	560 70
Erection, riveting, &c.	4,850 12 }		
Sundries and painting		01.2	19 39
Coal (about 20 tons)		38.6	63 69
General charges (90 per cent. on labor)		3 08.8	501 80
Cost price		14 48.7	2,381 62
Profit, contingencies, and interest on capital, 15 to 18 per cent		2 71	416 88
Sale price		17 19.7	2,798 50

HORIZONTAL NON-CONDENSING STEAM ENGINE.

[Of about 30-horse power, with cranked shaft and two fly-wheels—variable cut off.]

Materials, &c.	Weight.	Price per 220,460 pounds.	Amount.
	<i>Pounds.</i>		
Bronze	551.150	\$52 11	\$129 31
Rolled and sheet iron	264.552	4 52.5	5 79
Iron forgings	3,396.900	7 73	115 80
Cast iron	16,093.580	5 01.8	866 70
Materials	20,216.182	6 75.5	617 60
The net weight of engine being	17,416 340		
The waste is (14 per cent. on gross weight)	2,799.842		
Cost price of materials per 220,460 pounds net is		7 72	
Labor:			
Forging	\$815 70.2 }	4 05.8	328 10
Fitting, erection, &c.	2,932 11.8 }		
Sundry materials, patterns, and painting		20.3	19 30
Coal (about 12 tons)		57.9	38 60
General charges (100 per cent. on labor)		4 05.8	328 10
Cost price		16 61.8	1,381 70
Profit, contingencies, and interest on capital, 15 to 18 per cent.		2 70.2	212 30
Sale price		19 32	1,544 00

HORIZONTAL CONDENSING STEAM ENGINE.

[Of 200 to 250 horse-power, lateral framing, with slide valves, perfected type of engine.]

Materials, &c.	Weight.	Price per 220.460 pounds.	Amount.
	<i>Pounds.</i>		
Rolled steel	143.289	\$24 91.5	\$19 80
Steel forgings	11,023.000	6 75.5	387 75
Bronze	3,417.180	50 18	777 79
Copper and brass	182.276	38 60	23 16
Rolled and sheet iron	1,543.220	5 59.7	38 60
Iron forgings	17,636.800	7 33.4	586 72
Cast iron	115,961.960	5 21.1	2,750 25
India rubber and leather	57.820	110 01	28 95
Various sorts of wood 6" 70	3,571.452		212 80
Materials	153,496.457	6 76.5	4,774 82
The net weight of engine being	137,286.350		
The waste is (10½ per cent. on net weight)	16,250.107		
The cost price of material per 220.460 pounds is		7 72	
Labor:			
Forging	\$4,400 20 }		
Fitting, erection, &c	22,156 28 }	3 67.7	2,867 15
Sundry materials, painting, patterns, &c		96.5	596 80
Coal (about 80 tons)		58.6	250 80
General charges		3 67.7	2,867 15
Cost price		16 42.5	11,858 82
Profit, contingencies, interest on capital, 15 to 18 per cent.		2 70.2	1,613 48
Sale price		19 12.7	12,471 80

CENTRIFUGAL PUMP.

[Delivering about 5 cubic meters per minute.]

Materials, &c.	Weight.	Price per 220.460 pounds.	Amount.
	<i>Pounds.</i>		
Cast iron	1,599.921	\$5 79	\$36 67
Steel	44.092	7 72	1 54.4
Bronze	24.250	42 46	4 63.2
Antifriction metal	13.228	57 90	3 47.4
Iron for bolts, fastenings, &c	44.092	6 75.5	1 35.1
Materials	1,525.583	6 94.8	47 67.1
The weight of pump is	1,388.898		
Waste (90 per cent. on gross weight)	186.685		
Cost price of materials per 220.460 pounds is		7 59.3	
Labor		2 90.5	18 91.4
Coal (about 1,102.800 pounds)		20.7	1 54.4
General charges		2 90.5	18 91.4
Cost price		18 55	87 04.8
Profit, contingencies, and interest on capital, 20 per cent		2 70.2	17 17.7
Sale price		16 25.2	104 22

SMALL MACHINE TOOL.

[Of finished workmanship.]

Materials, &c.	Weight.	Price per 220.460 pounds.	Amount.
	<i>Pounds.</i>		
Cast iron	2,755.750	\$6 38.9	\$79 51.6
Iron	551.150	5 79	14 47.5
Bronze	114.639	42 46	22 19.5
Sundry materials	11.028		7 72
Materials	3,432.562	7 92.1	123 90.6
The net weight of machine tool is	2,865.980		
Waste (17 per cent. on gross weight)	566.582		
Cost price of materials		9 46.7	
Labor		6 95.8	90 71
Sundry materials, patterns, &c.		78.2	11 58
Coal (about 3 tons)		77.2	9 65
General charges		6 95.8	90 71
Cost price		24 93.7	326 55.6
Profit, contingencies, and interest on capital, 20 per cent.		5 21.1	69 08.4
Sale price		30 14.8	395 65

MACHINE TOOL.

Materials, &c.	Weight.	Price per 220.460 pounds.	Amount.
	<i>Pounds.</i>		
Cast iron	7,325.330	\$5 79	\$205 54.5
Iron	440.920	5 79	11 58
Bronze	132.276	42 46	25 47.6
Materials	8,899.526	6 36.9	242 60.1
The weight of machine tool is	7,816.100		
Waste (8 per cent. on gross weight)	583.426		
Cost price of materials per 220.460 pounds is		6 94.8	
Labor		3 86	135 10
Sundry materials, patterns, &c.		38.6	14 47.5
Coal (4½ tons)		38.6	14 47.5
General charges		3 86	135 10
Cost price		15 44	541 75.1
Profit, contingencies, interest on capital, 18 to 20 per cent.		3 08.8	104 79.9
Sale price		18 52.8	646 55

Having thus obtained the cost in detail of the leading mechanical machines, we can examine successively the three causes of inferiority before mentioned—coal, labor, and transportation.

FRENCH COAL MINES.

France produces an average of about 20,000 tons of coal per year, and coal mining does not appear to be very remunerative. In 1883 there were 637 allotments of coal mines. Of this number 329 were not worked or abandoned, and of the 308 which were in operation, 191 were profitable, and 117 caused a loss to their owners; thus it appears that only 30 per cent. of the mines are worked at profit. Extending these figures to the mines of all kinds of coal and metal, which include 1,319 allotments,

only 263, or about 20 per cent. less than a fourth, afforded any profit, and the returns were insignificant upon these. According to the recent estimate made by the director-general in regard to the mines of Aniche, these coal mines in operation represented an expenditure of capital of \$160,000,000, gave less than \$6,500,000 of returns, or about 4 per cent. on the investment. The discussions arising out of the recent strikes in the mines of Aniche, and the investigations made in connection therewith, brought to light the fact that France could not afford to increase the pay of the laborers in the mines, and the miners were so well convinced of the fact that they resumed work at the same wages. The following table gives some interesting figures of the comparative working of the mines in France and the neighboring countries:

Output of European coal mines for 1882.

Nationalities.	Annual production of coal per head per laborer.		Average sale price.
	Unsifted.	Sifted.	
	Tons.	Tons.	
France.....	265	190	\$2 38
England.....	428	345	2 05
Belgium.....	221	167	1 87
Prussia.....	346	274	1 17

From the above table we perceive that the French workmen turn out less than either the English or German. This difference is imputed to the different conditions of the surroundings of the mine, the thin coalbeds of the mines, the greater difficulty in mining, &c. Another cause is probably that the tenure of the mines in France is less fixed and more subject to change, and thence arises a greater timidity in applying expensive hoisting and other works essential to economical production. The impurity of the coal increases the labor on the exterior of the mines, and changes the figure from 265 of coal mined to 190 when cleansed.

WAGES IN THE FRENCH MINES.

The average wages of the French miner, including women and children, was in 1882 72 cents per day; in Belgium, 59 cents, and in Silesia, 52 cents. In certain parts of France, notably the basin of the Loire, they were found to be about 82 cents.

PRICES OF COAL IN EUROPE.

The deposits of coal in France, England, and Germany are differently situated, since the price of coal at the mine is twice as great in France as in the two other countries. Ordinary coal is worth \$2.03 to \$2.50 at the French mines, while in England and the coal basin of the Rühr coal is worth only from 96 cents to \$1.15 per ton. This makes the average price per ton in France \$2.22, and \$1.06 in the other countries; the difference is 96 cents per ton, which represents 54 per cent. of the cost of the French mine. The low price of English and German coal is due alike to the reasons mentioned above. In the two countries, thanks

to their natural conditions, the mines furnish finer and better coal than in France. The coarser coal adapted to domestic purposes finds a ready sale at a remunerative figure, while the small coal adapted to mechanical use, varying, as it does with the demand, can still be sold at a profit, as the cost of this common coal is only from 77 to 87 cents per ton. The coal basin of the Rühr in Germany is certainly the most important of the basins of continental Europe. It extends chiefly along the right bank of the Rühr to the Rhine, a length of about 45 miles, with a width of 12 miles, and produces annually from 20,000,000 to 25,000,000 of tons. Of this amount two-thirds are kept for home consumption, and the other third is exported to Paris, and even to the borders of the Mediterranean.

After screening, the coal of the Rühr, as well as the English coal, contains but 4 to 6 per cent. of waste, while the French coal has nearly double. This is an essential point when it is manufactured into coke for tall furnaces, and enables the German coke to penetrate into Luxembourg and France, notwithstanding the relative rates of transportation. It is generally conceded that from 4 to 5 tons of ordinary coal are required to produce a ton of rolled iron; for a ton of rolled steel less, the consumption being about $3\frac{1}{2}$ to 4 tons. The quantity used will not be so great in France, as the heating apparatus is more carefully arranged, but on the other hand, the greater amount of waste in French coal makes the consumption the same. From the foregoing figures the expense of coal in the three countries to produce a ton of merchantable iron or rolled steel is as follows:

Iron:

France 5 tons, at \$2.22 per ton	\$11 10
England or Germany 5 tons, at \$1.06	5 30
Difference	5 80

Steel:

France 4 tons, at \$2.22 per ton	8 88
England and Germany 4 tons, at \$1.06 per ton	4 24
Difference	4 64

There is thus seen to be an excess of cost for producing a ton of ordinary iron and a ton of steel of \$5.80 for the former and \$4.64 for the latter, which is further increased in the working of iron and steel used in the construction of machinery, as the latter grades are required, which compel the use of about one-third more fuel. The expense in coal, then, is for iron used in construction of French machines \$7.72 per ton. For cast and wrought steel the difference is \$6.17 per ton. For cast iron the consumption per ton is from three to three and one-half tons of coal, which, at \$1.15 per ton, represents an extra cost of \$3.86 for French castings. Lastly, the brass entering into the work will require double the consumption of coal than for cast iron; that is to say, an extra cost of \$7.72 per ton.

COST OF FRENCH MACHINERY—DETAILS.

Thus, with all the requisites to determine the excess of the expense of coal which is required in the construction of machinery in France, we can examine the cost in detail. This excess of price is only based on the price of the coal at the mine, without regard to its transportation, which we will take up subsequently.

1. LOCOMOTIVE.

Steel: 1,234,576 pounds, at \$6.17 surcharge	\$34 58
Bronze and copper: 6,613.800 pounds, at \$7.72 surcharge	30 10
Iron: 55,776.380 pounds, at \$7.72 surcharge	195 31
Cast iron: 9,700.240 pounds, at \$3.86 surcharge	16 94
Coal for machine work, 80 tons, at \$1.15 surcharge	92 64

Difference 379 57

Cost price of locomotive being \$9,026.61, as this difference represents about 4 per cent. of cost price.

2. TENDER.

Steel: 2,557.336 pounds, at \$6.17 surcharge	\$7 14
Bronze and copper: 286.598 pounds, at \$7.72 surcharge	0 96
Iron: 21,825.540 pounds, at \$7.72 surcharge	76 42
Cast iron: 2,204.800 pounds, at \$3.86 surcharge	3 86
Special coal, 18 tons, at \$1.15 surcharge	20 84

Difference 109 22

This difference equals 5 to 6 per cent. on the cost price.

3. STEAM BOILER.

Iron: 25,896.120 pounds, at \$7.72 surcharge	\$94 18
Cast iron: 13,829.900 pounds, at \$3.86 surcharge	25 09
Bronze: 110.230 pounds, at \$7.72 surcharge	38
Special coal, 18 tons, at \$1.15 surcharge	6 96

Difference 126 60

Representing 7½ per cent. on cost price.

4. TUBULAR BOILER.

Iron: 34,273.600 pounds, at \$7.72 surcharge	\$123 52
Cast iron: 6,834.260 pounds, at \$3.86 surcharge	11 96
Bronze: 220.460 pounds, at \$7.72 surcharge	77
Special coal: 20 tons, at \$1.15 surcharge	23 16

Difference 159 41

Equal to 6 to 7 per cent. on cost price.

5. SMALL STEAM ENGINE.

Iron: 3,571.452 pounds, at \$7.72 surcharge	\$12 54
Cast iron: 16,093.580 pounds, at \$3.86 surcharge	28 17
Bronze: 551.150 pounds, at \$7.72 surcharge	1 93
Special coal, 12 tons, at \$1.15 surcharge	13 89

Difference 56 58

Equal to 4, 2 per cent. of cost price.

6. LARGE STEAM ENGINE.

Steel: 11,023.000 pounds, at \$6.17 surcharge	\$30 88
Bronze, &c.: 2,320.400 pounds, at \$7.72 surcharge	12 35
Iron: 19,180.020 pounds, at \$7.72 surcharge	67 16
Cast iron: 114,639.200 pounds, at \$3.86 surcharge	203 03
Special coal: 60 tons, at \$1.15 surcharge	92 64

Difference 406 06

Equal to 4 per cent. on \$10,229, the cost price.

7. CENTRIFUGAL PUMP.

Cast iron: 1,399.921 pounds, at \$3.86 surcharge.....	\$2 46
Steel: 44.092 pounds, at \$6.17 surcharge.....	13
Bronze and iron: 88.184 pounds, at \$7.72 surcharge.....	31
Special coal: 1,102.300 pounds, at \$1.15 surcharge.....	57
Difference	3 47
Equal to 4½ per cent. on cost price.	

8. SMALL MACHINE TOOL.

Cast iron: 2,755.750 pounds, at \$3.86 surcharge.....	4 82
Iron and bronze: 661.380 pounds, at \$7.72 surcharge.....	2 31
Special coal: 3 tons, at \$1.15 surcharge.....	3 47
Difference.....	10 60
Equal to 3 per cent. on cost price.	

9. ORDINARY MACHINE TOOL.

Cast iron: 7,826.330 pounds, at \$3.86 surcharge.....	\$13 70
Iron and bronze: 573.196 pounds, at \$7.72 surcharge.....	2 01
Special coal: 4½ tons, at \$1.15 surcharge.....	5 21
Difference	20 92
Equal to 3.8 per cent. on cost price.	

In short, the surcharge on coal for French engines varies from 3 to 7½ per cent. on cost price, with an average of 4.8 per cent.

MACHINISTS' LABOR IN EUROPE.

The price of labor is much higher in France and England than in the neighboring lands—Belgium and Germany. In France, for some years, good machine workmen have been paid an average of 12 cents an hour, and ordinary workmen receive 7½ to 9 cents. This average is established as that of the four principal centers of mechanical industry—the departments of the north, the Lower Seine, the Rhone, and the environs of Paris. The general average for France is as follows: One mechanic, at 12 cents; 1 assistant, at 9 cents; 1 assistant, at 7½ cents; for 3 men, 28½ cents; an average per day of 10 hours of 95 cents. It is upon this average that the preceding cost of labor is predicated. In Germany the machine workmen earn on an average, for a day's work of ten hours, from 75 to 84 cents; assistants, from 50 to 56 cents. The average is thus established for Germany, not reckoning Berlin: One mechanic, 80 cents; 2 assistants, \$1.05; making for a day of ten hours an average of 63 cents.

The difference in the price of labor of construction of machinery in France and Germany, then, is, evidently: Average cost in France, 95 cents; Germany, 63 cents; difference, 32 cents.

For the last years labor has been at about the same price in France as in England. The cost of labor has remained stationary in England, while in the last few years it has advanced in France 20 to 25 per cent., and this within a period of ten to fifteen years. In Belgium the cost of labor is between that of France and Germany. The extra cost of labor employed in the construction of the nine machines before enumerated may be therefore computed, based upon the extra price paid for labor in France, as shown above, of 34 per cent.

The following table will give the price paid in France for hand labor on the nine machines:

Nomenclature of machines.	Special machine work.		Surcharge.	
	Per French machine.	In hundredths of cost price of machine.	Per machine.	In hundredths of cost price of machine.
		<i>Per cent.</i>		<i>Per cent.</i>
Locomotive.....	\$1,987 90	22	\$675 50	7.5
Tender.....	453 55	23½	154 40	8.0
Steam boiler.....	281 60	14	78 77.4	4.7
Tubular boiler.....	559 70	24	190 29.8	8.2
Small steam engine.....	328 10	24	111 55.4	8.2
Large steam engine.....	2,364 25	23	803 84.5	7.8
Pump.....	18 91.4	21½	6 36.9	7.1
Small machine tool.....	90 71	27½	30 88	9.3
Ordinary machine tool.....	135 10	25	45 93.4	8.5
Total.....	6,169 82.4		2,097 55.4	

The cost, as derived from these tables, indicates that the share of hand labor varies from 14 to 27½ per cent., with an average of about 23 per cent. The excess of cost of hand labor required for the French manufactures is represented by an average of 7 per cent. of the entire cost of the machines. This calculation is based upon the equal capacity and dexterity of the workmen.

COST OF TRANSPORTATION IN FRANCE.

The cost of French machines is increased by a greater expense in transportation, chiefly for the manufacture of the rough metal contained in the machines, caused by the situation of the iron works relatively to their material supplies. There is but little difference in the rate per mile upon the railways of France, England, Belgium, and Germany, except in the matter of machinery, and especially heavy machinery, machinery which cannot be taken apart. For the last article and for machines there is an exceptionally high rate per mile in France, but for coal, ore, castings, &c., there is no essential difference. The Germans have a slight concession on many of the railroads diverging from the basin of the Rühr, known as the pfennig tariff (1 pfennig per quintal per German mile), equal to about half a cent a ton a mile. This tariff affects coal, coke, metals, ore, and all raw materials. But these differences of railway rates do not bear so heavily, as the geographical position of the industrial centers of France relatively to the base of supply of the raw material as obtained from a brief examination of the situation of each of the four countries in this respect.

COST OF TRANSPORTATION IN ENGLAND.

In England coal is distributed generally throughout the manufacturing region and nearer to the sea than in France. Numerous railways transport the English coal a short distance with slight delay. In Wales and at Glasgow the transportation of coal is merely a process of handling. As regards minerals, England has at Cleveland and Cumberland, on the sea-coast, two important and considerable centers of supply. The first furnishes phosphorous ore suitable for cheap iron, the second furnishes hematites suitable for the economical treatment of steel by the

Bessemer process. The transportation of English ores to blast furnaces and forges which work them is inconsiderable, as they are near the mines and the sea shore; others of these furnaces are well located to obtain at a low price the ores from the Mediterranean, and especially those of Bilbao (Spain), of which the price for some years has been reduced to from \$1.35 to \$1.75 per ton, free on board at the port of departure on the river Bilbao. The cost of transportation to the English furnaces does not exceed \$1.50 per ton. The English furnaces again are favored by being situated on deep navigable rivers, connected with the sea, by which ships of all sizes can readily approach. It is only just in this connection to note that the higher rate per mile is often exacted in England upon freight because the distance is ordinarily much less than in France. The average cost for the transportation of sufficient ore coal and coke and other raw materials essential for producing a ton of ordinary iron from their place of production or extraction to the iron works is about \$2.90. The expense of transportation for a like quantity of rolled steel is about \$5.79 to \$6.76. These expenses cover the home and foreign supply. This average has been established by studying the cost at Cleveland, Staffordshire, and Glasgow for iron, and Wales, Barrow in Furness, Cleveland, and Sheffield for steel.

COST OF TRANSPORTATION IN GERMANY.

In the basin of the Rühr, in Westphalia, where the mineral and metal production is the greatest in Germany, the coal requires slight transportation to reach the iron works, and is often conveyed directly by a short private railway. The coal basin is traversed by three rival lines of railways, which insures rapid and cheap delivery. Westphalia is not as rich in minerals as in coal; however, not far from the coal mines, important beds of ore are found—the carbonated manganiferous ores of Siegen and hematites of Nassau. Besides, the coal basin itself contains, principally at the north, phosphorous carbonated and piroxyde metals, which are extensively worked. Westphalia uses annually about 300,000 tons of ore, brought from the Mediterranean, Algiers, and Bilbao, which come by the way of Rotterdam and then ascend the Rhine to Ruhrort and Duisburg. A portion enters by the port of Anvers. The cost of this transportation from the sea to the basin does not exceed 58 to 88 cents per ton, and falls below 58 cents by the Rotterdam route. The iron works of Westphalia receive their Mediterranean ores at a less price than the similar French works of the Loire and Creuzot. The ores of Bilbao reach Krupp, at Essen, at less expense than the steel works in the department of the north of France. Freight is a little more to Rotterdam; but, again, this port is connected with the coal and metal basin by a most excellent water communication—the Rhine. The cost of transportation of material used in manufacture of iron from its source to the iron works are about \$4.82 per ton of ordinary iron and \$9.55 per ton of rolled steel.

COST OF TRANSPORTATION IN FRANCE, ENGLAND, AND GERMANY.

The expenses of transportation are greater in France, in iron manufacture, on account of the distance of the iron works from the coal mines, and their distance from the sea in many instances. The iron works of the Loire, the Creuzot, and others in the interior, as well of those of the north and east, are disadvantageously affected. This expense is even greater

for ore required for steel, which is subjected to a transportation of 150 to 200 miles and even more, if taken to the center, since the principal mineral supply is from Algiers, the Mediterranean Pyrenees, and Bilbao. The cost of transportation for each of these three centers of French metal manufacture above cited gives an average of \$6.75 for material for one ton of ordinary iron, and \$13.90 for material for a ton of rolled steel. In this account is contained only the cost of transportation of material from their place of production or extraction and the delivery of the manufactured article at the nearest freight depot or wharf. The same calculation was made for the cost of transportation in England and France. From this examination, the excess of cost of transportation upon each of the nine machines selected can be determined, and are as follows:

1. For a ton of rolled or cast iron:

Expense, French iron.....	\$6 75
Expense, English.....	2 90
Excess of cost of French product.....	3 85
Cost in France.....	6 85
Cost in Germany.....	4 82
Excess of cost for French products.....	2 03

2. Per ton of rolled steel:

Expense in France.....	13 90
Expense in England.....	6 18
Expense in Germany.....	9 55

The excess of cost of the steel manufactured in France is \$7.72 per ton as compared with the same manufactured in England, and \$4.25 as compared with the German manufacture of the same article. Applying this excess to the quantities enumerated in the cost of the nine machines mentioned, we have the difference on each machine.

Nomenclature of machine.	Excess of transport.			
	English machines.		German machines.	
	Per machine.	Hundredths of cost price.	Per machine.	Hundredths of cost price.
		Per cent.		Per cent.
Locomotive.....	\$187 21	2.0	\$96 50	1.1
Tender.....	52 11	2.7	27 02	1.4
Steam boiler.....	72 37	4.4	36 09	2.2
Tabular boiler.....	74 11	3.2	37 05	1.6
Small steam engine.....	35 51	2.6	17 75	1.3
Large steam engine.....	287 57	2.8	146 10	1.4
Pump.....	2 70	3.0	1 35	1.5
Small machine tool.....	6 17	2.0	3 08	1.0
Ordinary machine tool.....	15 05	2.8	7 52	1.4

The excess of cost of transportation upon the French machines is 2.8 per cent. on an average, when compared with the English machines; with the German machines it is 1.4.

To place in a tabular form the excess of cost in France as compared with English manufacture of the same machine, we should have from the three causes as follows:

Name of machine.	Coal.	Labor.	Transport.	Total.
	<i>Per cent.</i>		<i>Per cent.</i>	<i>Per cent.</i>
Locomotive.....	4.0		2.0	6.0
Tender.....	5.6		2.7	8.3
Steam boiler.....	7.5		4.4	11.9
Tubular boiler.....	6.7		3.2	9.9
Small steam engine.....	4.2		2.6	6.8
Large steam engine.....	4.0		2.8	6.8
Pump.....	4.5		3.0	7.5
Small machine tool.....	3.0		2.0	5.0
Ordinary machine tool.....	3.8		2.8	6.6

England has not only more capital engaged in her industrial pursuits, but has an accumulation of stock, tools, transmitted from one generation to another, where trades and factories have continued for a great time in a family; whereas it is quite customary for business men in France to retire when they have accumulated a fortune, large or small, as they have a great aversion to incur the danger of losing all by continuing in trade or manufacture. There are said to be also greater expenses arising from humane institutions for the benefit of workmen sustained by the manufactures, while it is maintained that this work is done by insurance associations in England. It is true, undoubtedly, that English manufacture is economized greatly by the fact that its more extended commerce renders a larger outlay in fixtures and material justifiable. The law in Germany cares for the workman. It is claimed that the general expense account is in about the proportion of 23 to the 100 of the whole cost, nearly equal to that of labor. Interest is a large item in this account, and is computed one-fourth to one-fifth greater in France. About the other items, I deem them somewhat exaggerated.

According to this calculation, the excess of cost of French manufacture, compared with the English, is about an average of 13 per cent.

EXCESS OF COST OF FRENCH OVER ENGLISH MACHINES.

As regards England.	For the three first causes.	For general expenses.	Total excess.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Locomotive.....	6.0	4.8	10.8
Tender.....	8.3	5.2	13.5
Steam boiler.....	11.9	3.0	14.9
Tubular boiler.....	9.9	5.3	15.2
Small steam engine.....	6.8	5.3	12.1
Large steam engine.....	6.8	5.0	11.8
Pump.....	7.5	4.6	12.1
Small machine tool.....	5.0	6.0	11.0
Ordinary machine tool.....	6.6	5.5	12.1

EXCESS OF COST OF FRENCH OVER GERMAN MACHINES.

Names.	Coal.	Labor.	Transports.	Total excess.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Locomotive.....	7.0	7.5	1.1	15.6
Tender.....	5.6	8.0	1.4	15.0
Steam boiler.....	7.5	4.7	3.2	15.4
Tubular boiler.....	6.7	8.2	1.6	16.5
Small steam engine.....	4.2	8.2	1.3	13.7
Large steam engine.....	4.0	7.8	1.4	13.2
Pump.....	4.5	7.1	1.5	13.1
Small machine tool.....	3.0	9.3	1.0	13.3
Ordinary machine tool.....	3.8	8.5	1.4	13.7

The following figures give the total excess for the nine classes of machine:

As regards Germany.	For the three specified causes.	For general charges.	Total excess.
	Per cent.	Per cent.	Per cent.
Locomotive.....	17.6	2.2	14.8
Tender.....	15.0	2.4	17.4
Steam boiler.....	14.4	1.4	15.8
Tabular boiler.....	16.5	2.4	18.9
Small steam-engine.....	13.7	2.4	16.1
Large steam-engine.....	13.2	2.3	15.5
Pump.....	13.1	2.1	15.2
Small machine tool.....	13.3	2.8	16.1
Ordinary machine tool.....	13.7	2.5	16.2

The differences, which have been found to be 13 per 100, are in favor of England, and 16½ per 100 for Germany, explain why certain machinery and mechanical implements can be profitably made under the favorite national treaty to enter France.

Some of the principal duties are the following:

	Per 220,460 pounds.
Locomotives.....	\$1 73
Tenders.....	1 35
Steam-boilers.....	1 54 to \$2 31
Steam-engines.....	1 15
Sundry engines.....	1 15 to 1 93
Machine tools.....	1 15 to 2 89
Spinning and weaving machines.....	96

These duties represent:

	Per 220,460 pounds.
Locomotives.....	\$1 73
Fenders.....	1 35
Steam-boilers.....	1 54 to \$2 31
Steam engines.....	1 15
Sundry machines.....	1 15 to 1 93
Machine tools.....	1 15 to 2 89
Machine for spinning and weaving.....	96

Comparing the excess of cost of manufacture in France with the duty, we find (1) that for the locomotives there remains a margin in favor of England of 5 per cent. of cash, and of Germany a margin of 9 per cent.; (2) for the tenders the margin is 5½ per 100 for the English, and 9 per 100 for the German; (3) for boilers the margin is insignificant; it is to the advantage of the French, 1 per 100, as between the French and English, and about the same difference in favor of the Germans as between the French and Germans; (4) for steam-engines there is 5 per cent. in favor of England, and 9 per cent. for Germany; (5) for machine tools and general machinery the margin is 6 per 100 in favor of the English and 11 per 100 for the Germans; (6) for spinning and weaving machinery the margin is 6 per 100 in favor of the English, and 11 per 100 in favor of the Germans.

From these margins in favor of the English and German manufacturers must be taken the expense of transportation from the machine shops to the place of sale in France, or rather to the French frontier.

The expenses of transportation, although variable, as an average represent about 2 per cent. of the value of English products, and about 4 per cent. of the value of the German.

In view of the importation into France of English, German, and Bel-

gian machinery the manufacturers of the latter three countries are nearly on a footing, and all have a small margin of 3 to 5 per 100, with the exception of boilers, where the margin is apparently about 2 per 100 in favor of French builders.

This review of the cost of the several machines in detail, and of mining metal and coal and a comparison of these expenses in France with other adjoining countries, should enable the American manufacturer to contrast his situation with that of the foreign produce, and shows how necessary a protective tariff is to France if she would not consent to cede all interest in these industries to her neighbors.

In this study it is obvious that much which applies to France applies equally to America, such as the unequal value and production of mines of metal and coal, the distances necessary to transport the one or other to bring them together, and further distance to transport to the seaboard if desired for exportation, and various other incidental expenses which quality and location would be apt to affect in view of the extended districts over which the mineral beds are spread.

The same reasoning cannot fail to demonstrate the necessity of American protection to these industries, as the only preventive of being flooded with foreign products, of which the only remedy would be submission to the European rates of wages.

CHAS. P. WILLIAMS,
Consul.

UNITED STATES CONSULATE,
Rouen, June 26, 1884.

AMERICAN GOODS IN ECUADOR.

REPORT BY CONSUL HORATIO N. BEACH, OF GUAYAQUIL.

The sale of American goods in Ecuador is constantly increasing, and this in face of the fact that the resources of the country have been largely decreased by an exhaustive war and poor crops. It is my purpose to indicate how the trade may be further increased, the facts presented being largely obtained from merchants who to some extent, large or small, import goods from the United States.

FREIGHT RATES.

An important element affecting certain lines of goods is freight rates. Stated in United States currency the rates by the square foot by steam vessels are as follows from the following named countries to Guayaquil, the distributing port of Ecuador: United States, 75 cents; England, 79; Germany, 79; France, 73½. By steam the usual period for transporting goods is: From New York, 30 days; and from Europe, 45 days. By sail the time is: New York, 90 days; Europe, 120 days. The usual cost by sail is: From New York, 30; Europe, 45. It will be observed that the rates of freight by steam is very similar. By sail the rates are about one-third less from New York than from Europe. Both in regard to rates and period of transportation the United States has the advantage. This advantage, however, is lost to a large extent by reason of very few goods being sent from the United States by sail, while from England, France, and Germany there ply regular lines of sail vessels,

and large quantities of goods are delivered at the lowest rates of transportation. On many articles the cost of transportation turns the scale as between countries.

CREDITS.

In the United States goods are sold usually on a credit of three months, while in Europe a credit is given of from nine to twelve months. As prices are made to correspond with the length of credit, both long and short credits have advantages. The long credits induce trade from a class of customers, but at an enhancement of risk. Debt collections where there is an indisposition to pay are attended by great difficulties, it being about an even thing whether right or wrong will triumph. Many of the merchants are men of excellent character, and take pride in doing business in accordance with upright business principles.

HANDLING AMERICAN GOODS EN ROUTE.

Goods brought from New York undergo the following handlings: Carted to wharf in New York, loaded aboard of vessel at New York, unloaded onto dock at Aspinwall, loaded onto cars at Aspinwall, unloaded onto dock at Panama, loaded onto lighter at Panama, loaded onto ship at Panama, loaded into lighter at Guayaquil, unloaded onto the dock, loaded onto cars, unloaded at the custom-house, from custom-house carted, after being loaded onto cars, to the stores of merchants, where they are unloaded—making twelve different loadings and unloadings between where the goods are started in New York and the store of the merchant to whom they are consigned in Guayaquil. All of the goods crossing the Isthmus bound to the Pacific coast undergo similar handlings, and when goods are not well packed they come in a more or less damaged condition, some being almost ruined.

AMERICAN PACKING AND PACKAGES.

All of the merchants complain of the bad packing. The greatest complaint is directed against the nails, which do not hold well in soft wood. Pine boxes bound with iron frequently arrive shaken all to pieces, they not being equal to the hard treatment to which they are subjected. Many boxes, such as soap and canned fruits, are shipped without any banding, and they usually come badly damaged. The kerosene all comes by sail, and though having fewer handlings yet a loss of about 5 per cent. is reported, resulting from a breaking of the cans because of the lightness of the tin. Perhaps the loss is less than the difference in cost between light and heavier tin. Complaint is also made that too little attention is sometimes given to making packages compact, so as to reduce measurement—goods being freighted by measure and not by weight.

In England prints are put up in bales of fifty pieces, each piece from 25 to 26 yards, with every piece in a bale different. Jobbers in dry goods say that if shippers in the United States would follow this method it would greatly help the sale of goods, as such bales meet the requirements of the retail dealers. Lump sugar is brought in considerable quantities from the United States. The merchants say that as they often desire to take from the custom house part of a shipment, as they sell the goods, that it would greatly convenience and facilitate their trade if the packages were made even 100 or 200 pounds; and that likewise it would be of advantage to them in settling. The lard usually comes in good condition. Brooms should be packed in boxes.

If packed in matting they are liable to be damaged by moisture and rats. The trade in glassware is increasing, but greater care should be exercised in packing it. All of the foreign furniture sold is brought from the United States, and being light, generally arrives in good order. All of the clocks sold and much of the jewelry is imported from the United States, and fully meets the requirements of the market. The trade in clocks is rapidly increasing.

SAILING SHIPS WANTED.

The rates of steam freights are \$1.20 per square foot from San Francisco, which precludes general shipments. The voyage by sail can be made in an average of eighty days. The belief prevails in Guayaquil that a quarterly sail line of from four to six hundred ton vessels, bringing lumber, flour, and wine, and taking back railroad ties and fine woods, would prove advantageous to all concerned.

HOW TO INCREASE OUR TRADE.

In conclusion, it appears that the United States trade can be increased by the better packing of certain kinds of goods; by the better adaptation of certain goods to the market; and by lessening the cost of some kinds of goods by utilizing the less expensive sail transportation. The packing done in the United States does not compare favorably with that done in Europe, and should be improved. There is no prejudice against the United States, and the merchants buy goods in whichever market they believe to be the most favorable, all the relating circumstances considered.

HORATIO N. BEACH,
Consul.

UNITED STATES CONSULATE,
Guayaquil, July 8, 1884.

COMMERCE OF TUXPAN.

REPORT BY CONSUL LEDBT.

TRADE WITH THE UNITED STATES.

Trade is improving daily, and particularly, it would seem to me, with New Orleans and the Gulf sea-ports. The system of quarantine in these places against this port, where yellow fever is comparatively unknown, seems very unwise.

American goods are much preferred by the people here to any of European manufacture, and by degrees the merchant from the States is getting a firmer hold upon the trade at this port, which will be greatly extended upon the completion of the railroad to the interior, which is now in contemplation. As prominent engineers have been upon the ground, their ideas for this much-needed improvement will no doubt soon be carried out.

Several causes have combined to keep Xibalba from developing its vast internal resources, viz, the mountainous formation, the total absence of inland water transit, bad condition of wagon roads and the enormous

expense attending keeping them in repair. Until the iron horse annihilates the already existing difficulties we must, as in the Montezuma period, put up with the pack-mule and Indian guide. We trust ere long that our harbor will contain a forest of masts from the two great sea-ports of the land of the United States, when the natural obstacles to the cheap carriage of freight will melt away before the railroad progress now sweeping over the country.

CLIMATE AND PRODUCTS.

The products of this hitherto almost unknown or unthought-of land, except perhaps by some student of science following in the steps of Baron von Humboldt, are almost too numerous to mention, and can only be thoroughly conceived by considering the different climates of this enchanted land, from the low sandy and rocky coast strewn with the sea-weed of the Caribbean sea and Gulf to the mountains of perpetual snow. At least four distinct climates are discernible—the tropical of the coast, the semi-tropical reaching to the wide level plateau, next the temperate with a climate similar to Arkansas and our northern limit of the cotton belt, and lastly the mountainous, which alternates between storm and short periods of clear, dry, mountain days. These mountain sides are covered with large oak, hickory, and trees of the sterner forest growth, while lower down on the plateaus and foot-hills are found profusely furniture woods of every description, and, as it may be said, to interlude this picture of forest grandeur, appear the plains between, covered with innumerable flocks of sheep and goats, with fat horned cattle, tough, wiry horses, and excellent mules.

All of this vast-producing center of all valued by man lies within 1,000 miles of our southern ports awaiting development and control by American enterprise.

The Boston Oil Company is tapping the petroleum beds near here, and, in addition to turning out a superior oil, produces some of the best asphalt ever placed in the market. It can be delivered in New York at \$12. to \$14 per ton.

THE MYRTUS PIMENTA (ALLSPICE) TREE.

From \$4,000 to \$5,000 worth of allspice is shipped from here to the United States annually under the name of bayberries. * * * The *Myrtus pimenta*, the *Eugenia pimenta* of De Candolle, is an evergreen, reaching to the height of 25 or 30 feet. Its trunk is erect, with many round branches toward the summit. The twigs are compressed; the younger and the pedicles downy. The leaves opposite, oblong or oval, with peltoid dots somewhat opaque and smooth. The flowers are small, and are in axillary and terminal trichotonmous panicles; some flowers are four-fid and subsessile in the forks of the panicle. Calyx tube nearly globose; limb divided down to the ovary in four rounded segments; petals four, greenish-white; stamens numerous and distinct; ovary two-celled; berry globose, one-seeded, and black, the size of a pea; embryo roundish, with the cotyledons consolidated. It is a native of Mexico, South America, and the West Indies. The tree completes its growth in about seven years, though fruit may be had from it in the third year. It flourishes best in a limestone soil. The unripe berries are the officinal part. They are gathered just before maturity, thoroughly dried, and packed for foreign markets.

The bayberry, *Laurus nobilis* of Linnæus, and the *Myrica cerifera*,

known as the bayberry, are entirely different species of flora, the former being a large tree unknown to Mexico, but very common on the shores of the Mediterranean, and the latter being the common wax-myrtle of the United States.

M. A. LEDET,
Consul.

UNITED STATES CONSULATE,
Tuxpan, March 31, 1884.

Exports from Tuxpan, Mexico, for the year ending March 31, 1884.

Description.	Quantity.	Value, including costs and charges.
Vanilla beans.....pounds	12, 817	\$75, 202 90
Deer-skins.....do	25, 364	12, 031 39
Fruits.....		567 85
Chickie.....pounds	471, 103	225, 978 92
Rubber.....do	24, 485	15, 528 87
Ox and cow hides.....do	61, 118	11, 593 38
Chewing-gum.....do	31, 004½	6, 218 48
Eustio.....do	121, 874	8, 048 47
Cedar logs.....		112, 644 90
Bananas.....		209 00
Pineapples.....		477 00
United States currency.....		840 00
Kerosene oil.....pounds	65	1 50
Lubricating oil.....do	65	2 00
American gold.....		2, 565 00
Pimento.....pounds	17, 868	91 14
Asphalt.....do	81, 214	108 16
Mexican coin.....		18, 250 00
Wood for sample, for furniture work.....		15 00
Allspice.....pounds	1, 240	537 03
Honey.....gallons	58, 779	28, 495 64
Mahogany.....		10, 000 88
Coffee.....pounds	4, 134	498 15
Sugar.....do	51, 549	8, 023 39
Sarsaparilla.....do	2, 000	147 00
Bayberries.....do	22, 082	1, 245 90
Petroleum.....		3 50
Pita.....pounds	450	25 00
Chapapote.....do	42, 128	529 63
Mexican oil.....		88 94
Garlic.....pounds	900	38 00
Total.....		641, 184 02

Navigation at the port of Tuxpan for the year ending March 31, 1884.

ENTERED.

Flag.	From—	Steamers.		Sailing ves-		Total.	
		No.	Tons.	No.	Tons.	No.	Tons.
American.....	New Orleans.....	8	378	8	1, 040	11	2, 327
	New York.....	1		1	409	1	409
	New Orleans.....	5		5	682	5	682
	do.....	5	5, 130				
	New York.....	5		5	1, 215	5	1, 215
French.....	New Orleans.....	6	6, 156				
	do.....			6	1, 825		
	Bordeaux.....			6	8, 899		
English.....	New York.....			2	500		
Total.....		14	11, 664	14	11, 664	23	8, 979

Navigation at the port of Tuxpan for the year ending March 31, 1884—Continued.

CLEARED.

Flag.	To—	Steamers.		Sailing vessels.		Total.	
		No.	Tons.	No.	Tons.	No.	Tons.
American.....	New Orleans	3	373	3	1,949	11	2,327
	New York			1	409	1	409
	New Orleans			5	682	5	682
	do	5	5,130			5	5,130
	New York			5	1,215	5	1,215
	New Orleans	6	6,156			6	6,156
French	do			6	1,825	6	1,825
	Bordeaux			6	2,399	6	2,399
English	New York			2	500	2	500
Total .....	.....	14	11,664	33	8,979	47	18,244

OUR TRADE WITH CHATHAM.

REPORT BY COMMERCIAL AGENT A. C. BUFFINGTON.

I have the honor to transmit herewith, summarized statements of the exports and imports in the trade between this consular district and the United States, for the year ending June 30, 1884. For the better understanding of the condition of trade here, I have arranged the exports as far as possible, so as to show a comparison with the three previous years 1883, 1882, and 1881.

In my report of August 1, 1883, I expressed my belief that the exports for the then commencing year, and on which I now report, would show a marked diminution. These anticipations have been fully realized, as will be seen by the statement below, in a decline in the value of declared exports from this district, amounting to \$173,106.96.

A comparison of the exports from the district for the past two years shows the following:

Place.	1883.	1884.
At Chatham	\$353,343 92	\$451,042 08
At Wallaceburg Agency	297,036 20	326,230 50
Decrease in 1884	950,380 12	777,273 16
		173,106 96

The value of the declared exports from the district, inclusive of the Wallaceburg Agency, may be thus tabulated:

Year.	Value.	Increase.	Decrease.
1881	\$583,909 25	\$147,808 03	.....
1882	810,079 51	226,170 26	.....
1883	950,380 12	140,300 61	.....
1884	777,273 16	.....	\$173,106 96

From reports of the Ontario Bureau of Industries I compile the following by way of showing the contrast in the crops of the past two years. The figures apply to the Lake Erie counties:

Crop.	1882.	1883.	Yield per acre, 1882.	Yield per acre, 1883.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>
Fall wheat.....	5,998,871	2,319,830	21.1	9.8
Spring wheat.....	51,650	100,209	14.3	14.7
Barley.....	1,085,290	815,073	24.4	21.4
Oats.....	5,185,965	5,391,152	34.4	38.0
Rye.....	251,672	175,081	19.4	14.2
Peas.....	681,214	596,572	18.3	16.4

Indian corn, beans, and buckwheat, the former two being very important crops in this district, were of such little consequence this year that no returns as to acreage or yield appear in the report. The hay crop was a good one, the area under crop being greater, and the yield per acre being 1.56 tons, as compared with 1.20 tons in the previous year. All kinds of manufacturing have declined in keeping with the decline in crops, the general stagnation being quite marked. As the exports from this district to the United States consist mainly of products of the field and forest, the above will be sufficient to explain the contraction in their volume during 1883-'84.

I may say I do not see any valid grounds for expecting any considerable increase in the exports from my district in the immediate future, as, although the harvest seems to be a fair one, the price of grain is not such as to give much stimulus to trade. The good crop will, however, undoubtedly tend to restored confidence.

IMPORTS.

The value of dutiable goods imported from the United States and entered for Canadian consumption at this port during the year ending June 30, 1884, according to returns of the customs department, was \$114,612. The following is a classification, a comparison, as far the data will permit, being instituted with the returns of 1883:

Articles.	1883.	1884.	Increase or decrease.
Animals.....	\$748	Not given.	.....
Baking powders.....	1,243	\$1,554	+\$311
Books.....	2,198	2,478	+280
Breadstuffs.....	444	20,057	+19,613
Carriages, and parts of.....	2,774	3,703	+929
Coal.....	6,657	16,524	+9,867
Cottons.....	14,856	8,255	-5,701
Earthenware.....	433	288	-145
Fruits.....	4,624	5,816	+1,192
Gutta-percha goods.....	514	3,179	+2,665
Hats and caps.....	1,759	Not given	.....
Iron and hardware.....	30,472	18,527	-11,945
Leather.....	776	Not given	.....
Marble or stone.....	867	604	-263
Musical instruments.....	3,732	1,718	-2,014
Oils.....	975	1,287	+312
Paints.....	467	489	+22
Paper.....	1,406	672	-734
Provisions.....	6,929	13,214	+6,285
Silk.....	1,055	Not given.	.....
Seeds.....	Not given.	503	.....
Varnish.....	Not given.	671	.....
Vegetables.....	451	220	-231
Wood furniture.....	7,085	6,785	-300
Miscellaneous.....	8,001	8,128	+127
Total dutiable imports.....	99,908	114,612	+14,709
Free goods.....	48,654	38,215	-10,439
Net decrease.....			730

The imports entered at the port of Wallaceburg during the year amounted to \$26,647.

As by far the greater proportion of American goods sold here are not directly imported, but are purchased at second hand from dealers in the East, the above figures will not, it is probable, represent over 40 per cent. of the value of the American goods marketed in the district.

An analysis of the above tabular statement shows that while the value of "free goods" imported has considerably declined, that of dutiable goods has largely increased, leaving the margin of total decline quite small. As the "free-goods" list comprises those seeds and animals so important to the farmers, and the raw commodities necessary for the manufacturers, the shrinkage of \$15,439 indicates the severity of the depression through which this country is passing.

It will be noticed that the most important diminution has taken place in the imports of iron and hardware, cottons, and musical instruments, while the increase in the value of the items, breadstuffs, coal, provisions, gutta-percha goods, and fruits is marked.

I am of opinion that a good deal might be accomplished by way of increasing the direct importation of American-made goods, were the manufacturers duly impressed with the importance of the market, and would make an effort to cultivate the trade. It has been customary of late for Eastern dealers to sell to retailers here on exceptionally favorable terms, dating ahead, holding matured paper, and doing everything in their power to force sales and retain the trade. Recently numerous and heavy failures among the retailers, necessarily resulting in serious loss to the supply houses, have led to a more business-like course being adopted, and I think the natural revulsion that has set in renders the time opportune for American dealers to feel their way in the market.

There are many lines of goods which could be sold here at a profit, particularly those of first quality in their several lines, due discretion being exercised in their introduction. To illustrate my meaning: Common gas-fittings, such as are ordinarily used, are plentiful and cheap here, but when a superior quality in design, style, and finish was wanted for the new Government buildings erected here this season, they were purchased in New York City. Large quantities of American-made rubber belting, packing, hose, wall-paper, furniture, dry goods, sundries, &c., enter into consumption here. Edge tools, particularly those of fine quality, and mechanics and artisans' supplies, of American manufacture, are favorites.

Chatham is favorably situated for trade with Detroit and ports on the lakes, by water, and has good railway connections, thus insuring low rates of freight; and its proximity to the line would permit of orders being as promptly filled as from the Eastern Canadian cities.

I would be pleased to be of service in any way that would contribute to the increased sale of our manufacturers' products in my district.

H. C. BUFFINGTON,
Commercial Agent.

U. S. COMMERCIAL AGENCY,
Chatham, Ontario, August 1, 1884.

CHANGES IN CANADIAN CUSTOMS.

The American consul at Ottawa transmits copies of four orders in council, making certain changes in the Canadian customs, as follows :

ORDER NO. 1, DATED APRIL 19, 1884.

Ordered, That the charges to be calculated and taken as part of the value for duty of all sugars, molasses, sirups, and other similar products, shall include all export and other duties imposed by competent authority, and the cost of all packages, with expense of cooperage, packing, cartage, and other transportation charges, warehouse rent and fire insurance, brokerage and commission, and all other charges or expenses of every kind whatsoever actually chargeable before and up to the time when such sugars, molasses, or sirups or other similar goods are placed on board the ship or other conveyance in which the same are intended to be transported to Canada, and also the full amount of any drawback as provided by section 70 of the said "customs act, 1863," save and except that commission not exceeding $2\frac{1}{2}$ per cent. may be allowed and not so included in the value for duty on all sugars not over No. 14 Dutch standard, imported direct without transshipment from the country of growth and production by sugar refiners for refining purposes.

ORDER NO. 2, DATED APRIL 22, 1884.

That steel of No. 20 gauge and thinner, but not thinner than No. 30 gauge, to be used in the manufacture of corset steels, clock springs, and shoe-shanks, be, and the same is hereby, placed on the list of articles that may be imported into Canada free of customs duty when imported by the manufacturers of such articles for such use in their own factories.

ORDER NO. 3, DATED MAY 12, 1884.

That cotton yarns finer than No. 40, unbleached, bleached, or dyed, and not finer than No. 60, for the manufacture of Italian cloths and worsted fabrics, be, and the same are hereby, placed on the list of articles that may be imported into Canada free of customs duties, such free importation to continue until after the next ensuing session of the Parliament.

ORDER NO. 4, DATED MAY 15, 1884.

That the order in council, dated 19th April, 1884, declaring the charges to be included in the value for duty of sugar, molasses, &c., be, and the same is hereby, amended by adding thereto the following words, namely: "Provided further, that when a whole invoice of such sugar, molasses, sirup, and other similar products, is transferred prior to entry for duty by the importer thereof to a sugar refiner for refining purposes the same allowance of not exceeding $2\frac{1}{2}$ per cent. commission may be made."

COMMERCE OF RHEIMS WITH THE UNITED STATES.**REPORT BY CONSUL FRISBIE.**

The commerce of Rheims with the United States for the fiscal year ending June 30, 1884, shows the remarkable decrease of \$1,771,135.77 from that of the fiscal year ending June 30, 1883. This decrease has been entirely (and more by \$96,322.14) in the export of champagne sparkling wine, which, by the invoices presented and legalized at this consulate, shows a decrease of 149,338 cases (1,792,056 quarts), of the value of \$1,867,457.91. The total export of champagne to the United States for the fiscal year just closed being 193,386 cases (2,320,632 quarts), of the value of \$2,400,718.44, against 342,724 cases (4,112,688 quarts), of the value of \$4,617,113.50, for the fiscal year ending June 30,

1883. The export of woollen dress goods to the United States shows an increase of \$101,683.22, and the export of willow, raw and manufactured, shows a decrease of \$11,296.67 while the total of all other exports show an increase of \$5,935.59; the total exports to the United States showing a decrease of \$1,771,135.77, as above stated.

The following table is an exhibit of the total exports from this consular district to the United States for the fiscal year ending June 30, 1884 :

Champagne sparkling wine.....	\$2,400,718 44
Dress goods (woolen).....	357,074 57
Willow, raw and manufactured.....	47,680 03
Preserved fruits and vegetables.....	7,485 45
Hardware and machinery	9,546 29
Muslin (cotton gauze).....	1,546 37
Fancy goods	958 90
Shawls (fine woolen).....	486 02
Dyestuffs	5,197 68
Dress trimmings	1,361 80
Corsets.....	1,328 03
Corks	3,000 00
Linen goods (cretonne)	3,441 38
Church ornaments (statuary, Catholic).....	790 00
Watch crystals.....	748 00
Dessert wine.....	2,648 57
Sirups	1,058 94
Brandy	88 32
Miscellaneous	818 94
Total.....	2,845,977 73

There are several reasons advanced by the wine merchants for this large decrease in the export of champagne to the United States, among which are the material increase of the import duty which took effect July 1, 1883, the large shipments made during April and May, 1883, in order to get the wines entered before the increased duty took effect, and for the further important reason that a very good sparkling wine is now made in the United States from native growths, and that the Americans are largely using the native wine in preference to that of foreign importation.

AMERICAN VS. FRENCH CHAMPAGNE.

Some of this American sparkling wine has been received, as samples to be tested, by dealers in the champagne country, and one of the most extensive and best known champagne merchants at Rheims informed me a short time since that he had had a bottle of this wine, and that he had found it very good indeed, and there was no ignoring the fact that in the near future it would prove a formidable competitor to the wines of Champagne in the American market, if, indeed, not also in other markets. I am glad to note this fact, as I am always pleased to see American products and interests coming to the front. In this connection I beg to advise the American manufacturers of sparkling wines to use American labels on their bottles, and in no way attempt to copy after those used on the bottles of imported wines. The use of an independent American label will be largely to their advantage in the near future, when they shall have established a reputation for their wines. The reputation of their wines and the property value of the label should be made at one and the same time; indeed, there would seem to be a necessity in this.

JOHN L. FRISBIE,
Consul.

UNITED STATES CONSULATE,
Rheims, France, July 8, 1884.

AMERICAN SUGAR AND COFFEE PLANTERS WANTED IN SAMOA.

REPORT BY CONSUL CANISIUS, OF APIA.

It seems a pity that these islands, whose trade we ought almost to monopolize, send us nothing but copra. Thousands of acres of fine land, which could be made to produce immense quantities of sugar, coffee, and other valuable tropical products, of which the natural market would be San Francisco, are allowed to remain idle. Experienced planters here say that the climate of these islands, as well as the soil, particularly adapts them for sugar growing. The moisture is always abundant, so that the planter would not need to stand in dread of drought.

If some of our sugar or coffee merchants, with sufficient capital, will establish plantations on these islands, I may safely predict that Samoa will become, in a very short time, a second Hawaii.

They could adopt a plan, which works admirably in other groups, namely, that of dividing up the land into small lots, to be apportioned out among Chinese settlers, the owners to say what kind of crop is to be raised. The Chinese in return would pay over a certain portion of their produce as rent, and sell the remainder to the proprietor, purchasing their supplies at his store. This is undoubtedly the most practical plan, besides a larger amount of produce would be raised if the laborers were directly interested in the crop. Thus would these islands yield large quantities of one of the most marketable productions of the tropics.

When the Panama canal is opened, which event M. de Lesseps fixes for 1888, the importance of the Samoan group will increase vastly to all nations having trade with Australasia, and especially to the United States.

Pagopago, the finest natural harbor in the South Seas (and where the United States naval station is situated), lies almost in the direct line of that great stream of commerce which will some day find its way through the Isthmus of Darien from our Atlantic sea coast and Europe to Australasia.

Even now the Pacific mail steamers, plying between San Francisco and Auckland, pass within a few miles of this harbor, and when the increased trade which would spring up with the establishment of American plantations in the group makes it profitable enough, will no doubt call there, as they now do at Honolulu.

The Fiji group will also benefit by the opening of the Panama canal, but never to such an extent as to Samoa, for vessels cannot venture amongst its dangerous rocks, reefs, shoals, and intricate passages without considerable risk, especially as Fiji is directly in the "hurricane track," which is not the case with the Samoan group. Besides, in this latter group there are no outlying dangers, every reef and rock is close to the shore of the larger islands, and the few dangers which do exist are plainly visible to the mariner. Therefore, let our merchants see what they can do to secure commercial control over the group before it is too late. What is most needed is the establishment by Americans of sugar or coffee plantations here, for Samoa is an exclusively agricultural country, and these two articles, in such great demand in the United States, are certain to become her great staples. American planters and American merchants must march together, the planter in the van, with the merchant backing him closely up. This is the only way I can devise of increasing our trade with the islands, which at present produce little or nothing which finds a good, steady sale in our markets.

T. CANISIUS,

*Consul.*UNITED STATES CONSULATE, *Apia, March 31, 1884.*

DECEPTION IN THE LENGTH OF RIBBONS.*REPORT BY CONSUL GIFFORD, OF BASLE.*

An association, said to embrace nearly if not quite all the Basle manufacturers of ribbons, has just resolved to refuse hereafter to cut their goods in lengths of less than nine meters. A uniform style of label or trade-mark has been adopted for the block on which the ribbons are rolled. The words "nine meters" are to be printed on this label, and each manufacturer has pledged himself not to depart from the rule.

This is a step toward correcting an abuse, not to use a stronger term, which, though not often resorted to as a means of defrauding the revenue, has been a serious offense against commercial morality. As is well known, ribbons placed on the market of the United States are supposed to be in pieces of 10 yards, and the labels generally indicate that such is the length. They sometimes even bear the printed words "Ten yards warranted." But very often the pieces lacked more than a foot, sometimes even 2 feet, of the pretended 10 yards. These goods were generally correctly invoiced at their real length in meters, no recent attempts having been made to defraud the revenue in this way. It was merely a device of importers and consignees to deceive purchasers at second hand and retail dealers. Manufacturers here were required by their customers to mark their ribbons in this way, and often did so, though no direct advantage accrued to them from their compliance. So the short length became a sort of convention, and so well known that only the most ingenuous dealers continue to suppose that "10 yards" means "10 yards."

The system adopted by the Basle manufacturers, if adhered to, will be such as to offer every satisfaction to their honor and to their conscience. The ribbons will contain 9 meters, and will be so marked and invoiced. But it must be remarked that, beyond all question, in the United States 9 meters will be taken by the retail trade as the equivalent of 10 yards, and the real deception of the public, though diminished and regularized, will still continue. If the exact equivalent of 10 yards—9.15 meters—had been adopted as the standard length, the new label would have satisfied completely all the requirements of commercial honesty. But the retail purchaser will now buy 30 feet of ribbon and receive only 29½ feet.

I may add that purchasers of ribbons imported from France and Germany are subject to the same kind of deception.

GEORGE GIFFORD,
Consul.

UNITED STATES CONSULATE,
Basle, July 11, 1884.

AMERICAN VS. GERMAN PORK.*REPORT BY CONSUL FOX, OF BRUNSWICK.*

I have the honor to transmit herewith an article, with translation, which I take from the Magdeburger Zeitung of May 1. The same is a communication from Professor Virchow to the Voss Zeitung in regard to American swine's meat.

WILLIAM C. FOX,
Consul.

UNITED STATES CONSULATE,
Brunswick, May 2, 1884.

[Translation.]

The North German Gazette reproaches me in its political columns of yesterday that "I tolerate it that the (Liberal) press ignores the work of the scientists in regard to the question of the importation of American swine's meat because party interests make it opportune to do so."

This is really a wanton deviation from the truth. I lately undertook the task of investigating exactly to what extent the importation of American swine's meat had caused trichiniasis in Germany. It proved that no trichiniasis epidemic with us had its origin in American importations; on the contrary, all statistics in regard to such sickness show it to have been limited to a few single cases in Bremen. The danger to the German people through the home-reared swine is really greater. Therefore, taking the view of the North German Gazette, that the danger of American importations is so great as to warrant their prohibition, as a logical consequence the rearing of swine in Germany should be entirely forbidden. I do not go as far as this; I am contented to have an obligatory inspection of swine. I demand this for the American importations, notwithstanding that the danger from them is much less. The North German Gazette will understand that my scientific premises are in full accord with the practical demands defended by the Liberal press, and that I have no reason to repudiate them.

AMERICAN PORK IN ITALY.

REPORT BY CONSUL CARROLL, OF PALERMO.

Believing it is not generally known that Italy prohibits the importation of American pork and ham, I have the honor to submit, for the information of the Department, that the minister of the interior at Rome issued the following order on the 20th of February, 1879:

The minister of the interior having seen the law on public health of the 20th March, 1865, alleged C, and the instructions of the 26th of December, 1871, and having learned of the arrival in the kingdom of damaged pork coming from Cincinnati and other places of the American Union, which shows the existence of trichina in the hogs, decrees that until a new "disposition" the importation of hogs, their flesh and remainders, however preserved, into the kingdom is forbidden from the ports and grounds of the United States.

The prefects of the sea provinces are charged with the execution of this order. Given at Rome the 28th of January, 1879.

In consonance with the above order the entry of American pork and ham is prohibited.

The importation of lard, however, is permitted. The effect of this prohibition, it appears, is to shut out a large market for American ham. It is believed that there is or would be as good a market in Italy for the production as could be found in Germany if prohibition did not also obtain in that country. Native ham, which is greatly inferior to the American article, is retailed in Palermo at 60 cents per pound. Hence none but those possessed of means are likely to indulge their tastes in this respect.

The importation of American ham would reduce the price more than one-half. Fresh pork retails at 20 cents per pound, and sausage at 37 cents.

In conclusion, it may be proper to add that whenever the people of Palermo can procure an American ham from a sea captain or others they do so, regardless of the alleged trichina, and that the only cases of trichinosis known on the island of Sicily resulted from eating domestic pork.

PHILIP CARROLL,
Consul.

UNITED STATES CONSULATE,
Palermo, June 9, 1884.

COMMERCE OF THE PROVINCE OF MANABI, ECUADOR.*REPORT BY CONSULAR AGENT GODDARD, OF BAHIA.*

I have the honor, in compliance with requirements of the Department of State, to make the following report relating to the commerce of Manabi:

Bahia is situated in latitude $0^{\circ} 35''$ south and longitude $78^{\circ} 03''$ west of Greenwich, and enjoys a mean temperature throughout the year of 72° F. It is the principal port for the province and will indubitably become in point of importance equal to that of Guayaquil in the event of the railroad being made to the capital of the Republic, Quito. It possesses many natural advantages not possessed by Guayaquil: (1) Its climate, which is an exceedingly healthy one; (2) its position on the sea-coast and with a remarkably fine harbor and every facility for the landing of cargo; (3) its proximity to the capital as compared with other vias, the distance being only 50 leagues against 80 leagues by the way of Guayaquil. The town contains at present but 500 inhabitants—with the exception of about 12 foreigners, all Ecuadorians.

COMMUNICATION.

Four steamers a month call at the port, two from the north and two from the south. There are no railroads and the only means of journeying is by steamer or horseback, no cartroads existing.

EXPORTS.

The principal articles of export are as follows: Cocoa, rubber, ivory nuts, and hides. The value of last year's exports being, coca, \$228,799; rubber, \$183,847; ivory nuts, \$55,761, and hides, \$13,907, United States gold.

IMPORTS.

Of the imports I am unable to furnish any reliable information, owing to the difficulty in obtaining the necessary data from the custom-house returns, the officials of the custom-house being changed so frequently from their posts that it is next to impossible to gather reliable information on this subject. The greater part of the goods used in this province are of American manufacture, or imitation of American manufactures, but seldom imported direct from the United States to this place, being generally sent, in the first place, to Guayaquil, where they are again resold to the merchants of this port and of the numerous small towns of the interior. The goods by the time they are landed on shore at this province generally cost the merchant for expenses in freight, landing, &c., about 8 per cent. on their cost at Guayaquil, so that provisions of all kinds not produced in the country are very expensive. The same may be said of all manufactured articles.

I am surprised that no American firms have thought of establishing at this port a depot for American products and manufactures. I am convinced that in this province of growing importance there exist splendid opportunities for American enterprise and industry.

RAILROAD TO QUITO.

This work has been going steadily forward since my report of December last. I understand from most reliable sources that the mule road will be finished and traffic established by October or November of this year. The Government issued a decree on the 12th of April, 1884, of which I give a translation herewith :

THE NATIONAL CONVENTION OF ECUA.

Whereas a railroad that will unite the province of Manabi and Pichincha would be of great national importance ;

Be it decreed, the President is hereby authorized to employ \$300,000 annually out of the National Treasury for the construction of a railway from Manabi to Quito. This sum is independent of the amounts heretofore voted by this convention for a macadamized road.

Given in Quito, capital of the Republic, this 14th day of April, 1884.

FRANCISCO J. ZALAGAR,
President of the Convention.
JOSE M. P. CAAMANO,
President of the Republic.

This railroad, I believe, will never be completed by native enterprise, and I have little doubt that an American company would meet with liberal railroad money and land grants at the hands of the Government of Ecuador.

MANUFACTURES.

Rum is the only article that is made in this province, and that only in sufficient quantity for local consumption.

Sugar will, doubtless, sooner or later, take a good place as one of the principal articles of export. The Government has issued a decree by which the former heavy duties on machinery and implements for use on the sugar estates are removed, and now machinery for such uses is admitted free into the country. Peons, or laborers, engaged in sugar estates are exempted from military service. These concessions will doubtless improve this industry. The cane in dry seasons yields about 13 per cent.

EXPORT DUTY.

The manner of buying merchandise for export is carried on in the same manner as I have had the honor to advise in my former reports, with the same attendant charges and commissions, with one exception. These duties have been nearly doubled, and on some articles more so.

Articles.	Duty per 100 pounds (silver).	Former duty.
Cocoa.....	\$0 80	\$0 15
Rubber.....	2 30	98
Hides.....	23	10
Ivory nuts.....	10	10
Tobacco.....	1 84	10
Cascarilla.....	92	1 67

E. T. GODDARD,
Consular Agent.

UNITED STATES CONSULAR AGENCY,
Bahia, Ecuador, June 30, 1884.

RESTRICTION OF STEAM TONNAGE IN ENGLAND.*REPORT BY CONSUL LOOKE, OF NEWCASTLE-ON-TYNE.*

I have the honor to transmit herewith a special report of a meeting held in the Guildhall, in this city, on Wednesday, April 30, for the purpose of discussing the state of shipping, and, if possible, suggest a remedy. The trade is in worse shape now than it has been for years. Rates are so low that vessels have been compelled to lay up or run at a loss. There are, at this writing, lying up for want of employment in the ports of the north of England, no less than one hundred and thirty-seven ocean-going steamships, of 150,000 gross tons, valued at £1,000,000, and employing eighteen hundred men when voyaging. During the month of April the increase of vessels lying up was thirteen.

It is now proposed, by the association formed on Wednesday, to still further retire steamship tonnage until there is an improvement both in the demand for capacity and its rates. It is a question whether this policy will bring any permanent relief. It would, of course, force rates up for the time being, but at the expiration of the four months matters would again be in the same state as at present. The fact is, there is too great a carrying capacity, and until such time as that capacity is permanently reduced, as it inevitably must be by wrecks, decay, and breaking up, the only course left owners to protect themselves is to reduce the working cost of their vessels.

That the average power of a steamer is great, even in these times, is shown by a vessel of 2,000 tons, which, in thirty-five days, earned £1,100. But when insurance claims £250 of that amount, port charges, fuel, loading, and discharging, £540 more, as was the case with the vessel referred to, it leaves but little for dividends after paying the crew, finding stores, &c.

The enormous and, in many cases, unjustifiable, cost of working steamers has not received the attention it demands from owners, and until it does they may hope in vain for any profit in the shipping trade.

The deplorable condition of the shipping trade already referred to in these reports has at last reached such a stage that steamship owners and managers have been compelled to make some determined effort to bring about a better state of affairs. With that aim in view a meeting was held in this city yesterday afternoon, a meeting whose actions will be eagerly watched by shipping interests all over the world. It was composed of over 150 prominent ship-owners and managers representing this entire district, Scotland and Southern England. It was convened by a circular sent to various representative steamship owners throughout the Kingdom, the circular stating that the following had been suggested as a basis for the consideration of the meeting:

1. That owners of steamships shall combine and agree to form an association in which all their vessels shall be entered.

2. That each owner with four or more vessels shall agree to withdraw from the market, and keep unemployed for a period of four months one-fourth of the tonnage controlled by him.

3. That owners with a smaller number than four steamers shall withdraw and keep from employment their vessels for such corresponding period of time as the number of vessels may represent.

4. That the owners of vessels so laid up shall be paid the sum of 6*d.* per gross registered ton per month towards the unavoidable expense of lying up, such sum to be contributed *pro rata* by the steamers trading.

5. That owners joining the association and breaking their agreement to keep the agreed proportion of tonnage out of the market shall pay to the funds of the association a sum of not less than 2*s.* per gross registered ton per month on the defaulting vessel.

After the formal organization of the meeting Mr. Henry Nelson, of this city, in taking the chair said they had "now arrived at that point of profound depression, in fact where ruin was staring them in the face, when they were called upon to make a determined effort towards an improvement in the condition of affairs." They were "going to follow the lead of other great and important industries, such as iron, chemicals, and at times coal, by restricting, as it were, the output; and if they were unanimous in this movement, no doubt it must have a beneficial effect."

It was moved—

That in the opinion of this meeting the objects aimed at be approved, and that the association should commence operations on the 20th of May, 1884, provided that there shall then have been entered by the owners not less than 1,500 steamers.

In support of this motion the mover said :

Times of unexampled depression have fallen athwart our industry. From liners to steamers dividends are as rare as precious stones, and from what good is being done in the way of dividends we might as well be sailing "painted ships upon a painted ocean." Shipping has outstripped the world, and either it must wait till the world overtake it, or it must be used with discrimination. Instead of giving merchants, and through them the population of the world, more carrying power than they want, we must give them as much as they will pay for, and this can be accomplished by organization. Taking the net registered tonnage of British steamers at 4,000,000, to which should be added for dead-weight capacity 2,000,000, the dead-weight tonnage of the British Empire would be 6,000,000. There are about 4,700 British steamers under the British flag (allowing for small coasters not likely to join the association) which are estimated at 1,500 tons dead-weight capacity. Therefore if we succeed in getting entered from 1,500 to 2,000 steamers of 1,800 tons dead-weight capacity, the total strength of the association will be from 2,225,000 to 3,000,000 tons dead weight, and one-fourth will represent 562,500 to 750,000 tons, which, if withdrawn for four continuous months, cannot fail to operate with great effect and cogency upon the freight market.

After a full and exhaustive discussion pro and con, the resolution was adopted almost unanimously. It was then moved and carried—

That the proposal to pay to the owners of the vessels laid up and unemployed under the terms of this association the sum of 6d. per gross registered ton per month, and that the penalty to be paid by owners not keeping the proportion of the tonnage so laid up and unemployed, namely, 2s. per gross registered ton, would be approved.

On motion a committee, consisting of vessel owners in Newcastle, Sunderland, Hartlepool, South Shields, Middleborough, Cardiff, Hull, Glasgow, Liverpool, and London, was appointed to draw up rules and make general arrangements for the carrying out of the resolutions. The number of steamers owned by the committee alone is about two hundred, and represents nearly 400,000 tons of carrying capacity.

As showing the exact condition of the present carrying trade, I have prepared the following table, taken from actual charters reported on 'change. It gives the rates—steamer—to the ports mentioned on the 1st of May in the years named :

From the Tyne to—	1880.	1881.	1882.	1883.	1884.
	s. d.	s. d.	s. d.	s. d.	s. d.
Copenhagen.....	5 0	6 0	5 8	5 0	4 3
Algiers.....	13 to 15 0				
Havre.....		4 10½	5 1½	4 9	4 3
Genoa.....	13 9	12 3	10 3	10 7½	9 10½
Stockholm.....	6 3			5 8	4 3
Cronstadt.....	6 9		7 6	6 0	4 9
Alexandria.....		15 0	12 6		12 6

ROBINSON LOCKE,
Consul.

UNITED STATES CONSULATE,
Newcastle-on-Tyne, May 1, 1884.

NEW ZEALAND EXPORTS.

REPORT BY CONSUL GRIFFIN, OF AUCKLAND.

The exports from Auckland, with the exception of one or two articles of South Sea Island produce, such as cobra (dried meat of the cocoanut) and pearl-shell, consist exclusively of the products of the island, and comprise a greater number of different products than that of any other port of its size in the Australasian colonies, while some of these products, as, for instance, kauri-gum, tanakaha bark, *Phormium tenax* (New Zealand flax), and fungus, are peculiar to Auckland, and are found nowhere else in the world.

The list of Auckland products embraces twenty-six different articles, viz, tanakaha bark, biscuits, butter, cheese, bran, bacon, doors, flour, fungus, silver, kauri-gum, manganese, *Phormium tenax* (New Zealand flax), potatoes, beef, soap, tallow, leather, wheat, oats, hops, maize, timber, and wool. To this list have been added, during the last year, two other important articles, viz, hematite paint and hydraulic lime.

KAURI-GUM.

The heaviest Auckland export is kauri-gum, and the bulk of that product finds its way to the United States. In 1882 the total export of kauri-gum was 5,533 tons, valued at \$1,301,845, against 5,461 tons, valued at \$1,268,890, for the year 1881.

The largest export in the history of the colony occurred in 1883, when it reached the amazing amount of 6,351 tons, valued at \$1,799,688, and of this amount 3,325 tons, of the value of \$931,095.73, were shipped to the United States.

Kauri-gum, as I have had occasion to mention in various reports to the Department of State, is largely used in the United States for the manufacture of varnish. It ranks, for this purpose, next to the celebrated gum-copal of Zanzibar, said to be second only in hardness and clearness to amber.

Kauri-gum is found in pieces varying in size from a few ounces to a ton in weight. Blocks several feet in length, and about the same in thickness, weighing from 100 to 200 pounds, are not unfrequently met with.

AMBER.

Amber is too expensive to be used for varnish, being the most precious resinous product ever discovered. It is of a more beautiful color, and is harder and clearer than any other in the world. It has a very interesting history. The ancient Greeks and Romans regarded it with superstition and awe, and believed it to be the petrified tear-drops of the sisters of Phaeton, that had fallen into the sea. Its electrical phenomena added to its mystery. It has a name in every language, and its Greek name, *Electron*, has left its impress upon the English and other European tongues. Nearly two thousand years ago Pliny, the Roman author, described it as "a fossil resin of an extinct cone-bearing tree," and modern science has added little to Pliny's description of it.

GUM-COPAL.

Gum-copal is harder and cleaner than kauri-gum, and is usually found in small thin flakes. It is seldom found in larger pieces than the size

of a man's hand. Its surface is covered with an almost countless number of little round dots about the size of a pin-head. Many believe this peculiarity to have been occasioned by the imprint of sand on the gum when in a soft condition, but this theory is set aside on the ground that, if true, its surface would be pitted instead of granulated. The most probable explanation, however, is that the dots have been occasioned by molecular action.

There are several other kinds of gum found in Africa suitable for the manufacture of varnish, such as the East coast and North coast gum, but as they are very expensive and difficult to obtain, varnish-makers are dependent upon New Zealand for the greater part of their gum supply.

TIMBER.

Timber, next to kauri-gum, forms the most important Auckland export, and it is worthy of note that the same tree that produces the gum also furnishes the great bulk of the timber of the colony. The timber from this tree is one of the best in the world for carpenters' and joiners' work. The value of the exports of kauri timber for 1882 was larger than that of any previous year, and reached the sum of \$558,187.53. The value of the export for 1881 was \$347,117.46. In 1873 the value was \$214,315.19.

The subjoined table shows the value of the export of timber in American and English money for each year since 1873.

Table showing the value of timber exported from the colony of New Zealand from 1873 to 1882, inclusive.

1873.....	\$214,315 79	1878.....	190,153 62
1874.....	216,315 92	1879.....	173,904 38
1875.....	194,883 86	1880.....	249,286 46
1876.....	242,580 42	1881.....	247,117 71
1877.....	247,709 72	1882.....	558,187 55

The timber trade of Auckland is by far the largest in the Australasian colonies. The estimated annual product of sawn timber from the Auckland saw-mills is 70,000,000 feet, in addition to some 7,000 sashes, 6,500 doors, and 2,000,000 feet of planed timber. The kauri forests cover an area of over 200,000 acres, and are estimated to contain 23,000,000,000 feet of timber. There are 40 saw-mills in Auckland district, and about 8,000 persons are employed in connection with them and other branches of the timber trade.

The forests of New Zealand are evergreen, and furnish a source of never-ceasing delight to the scientist. The truth is the vegetable growth of the islands is unlike that of any other in the world. It is said that out of 650 distinct species of plants there are scarcely 20 that resemble those of England.

With the exception of the fuschia, every New Zealand tree and plant is evergreen. The fuschia trees shed their leaves and renew them, one leaf drops off and another comes, but there is no autumnal fall, no universal spring clothing. The foliage is of a brighter color in the spring, but it is always luxuriant. The timber trees have intertwined surface roots, not tap-roots, and ever exhibit a lateral growth. They display straight columnar branchless stems, surrounded by circular or conical heads of heavy boughs and leafy branches.

GOLD.

Auckland exported during the year 1882, 33,057 ounces of gold, valued at \$656,035. Dunedin, however, exported during the same period

70,772 ounces, valued at \$1,435,540. The total quantity of gold exported from all the ports of the colony for 1882 was 230,893 ounces, and the value was \$4,608,320.

Both alluvial and quartz mining are practiced in New Zealand. The principal quartz mines of the North Island, according to Dr. Hector, the colonial geologist, are in the Coromandel and Thames districts. In these localities the reefs have been proved to a depth of over 600 feet below the sea-level, but the most productive mines are confined to the decomposed and comparatively superficial rocks.

Veins have been discovered and gold obtained on the ranges from the sea-level to an altitude of 2,000 feet.

The quantity of gold obtained from some of these levels is very great, and for a considerable distance the quartz has yielded very uniformly at the amazing rate of 600 ounces to the ton. Such reefs are, however, exceptional in New Zealand as elsewhere. Dr. Hector says that the value of such reefs may be better estimated by those not conversant with the subject when it is stated that a half ounce to the ton is in most cases a profitable return.

Auriferous reefs are also extensively worked in the Schistose rocks of Otago, and they occur at all altitudes from sea-level to a height of 7,400 feet. The most elevated gold mine in the Australasian colonies is in New Zealand, and is situated on the summit of "Advance Peak," near Lake Wakatipu, in the South Island.

The alluvial mines of New Zealand, however, produce, by far, the greater quantity of gold. These mines are chiefly in the South Islands and are said to cover an area of over 20,000 square miles.

NEW ZEALAND FLAX.

New Zealand flax (*Phormium tenax*) is another valuable Auckland export. It is used in England and the United States, in the manufacture of rope and cordage. It is the strongest vegetable fiber in the world, and will bear a strain almost as great as that of silk. It is also used in New Zealand for making a superior twine for self-binding and reaping machines. The value of the exports of *Phormium tenax* for 1882 was \$209,775, against \$131,425 for 1881.

FUNGUS.

The variety of fungus exported from Auckland is a product peculiar to New Zealand. It consists of a gelatinous substance found growing on the decaying branches of trees and logs. The inside of the leaf when dried is a bright reddish-brown and the outside is a glossy dove-color. The leaf is shaped like a saucer, and varies in size from 4 to 7 inches. It is gathered principally by the natives and by the Dutch settlers of the East Coast on their own land. After being dried in the sun it is put in bales and shipped to San Francisco and Australia, and reshipped from there to Hong-Kong where it is used as food by the Chinese. It is also used in limited quantities as a dyestuff for silks. During the year 1882 Auckland exported 7,990 cwt. of fungus, valued at \$94,695. Of this quantity 4,714 cwt. of the value of \$58,010, was shipped by way of San Francisco.

SOUTH ISLAND EXPORTS.

The exports of the South Island do not comprise as many distinct articles as those of the North Island, but they exceed them largely in

value. The list embraces the following articles: Wool, flour, grain, gold, bran, butter, leather, frozen meat, sheep-skins, rabbit-skins, pelts, tallow, &c.

Wool.—Wool is by far the most important article of export in New Zealand. The total value of this export for 1882 was \$15,597,185, against \$14,548,800 for 1881. During 1882, Dunedin alone exported 18,145,722 pounds of wool, valued at \$4,767,030.

Flour.—The flour export of Dunedin during the year 1882 consisted of 7,308 tons, of the value of \$389,155.

Frozen meat.—Dunedin has also the largest export of frozen meat, and it started that industry in New Zealand. The quantity exported from Dunedin during 1882 was 15,244 cwt., and the value was \$96,695. In 1883, the exports were much larger, and during that year Auckland, Wellington, and Dunedin all took part in the industry. The total value of frozen meat from all the ports of New Zealand during 1883 was \$750,000.

The steamers now running between here and London are especially fitted up for the frozen-meat trade, and it is estimated that their freezing chambers are capable of carrying 500,000 frozen sheep per annum, and it is said, on the authority of the London Times, that contracts have actually been entered into by the New Zealand Shipping Company and the Shaw Saville Albion Company to carry, during 1884, 440,000 carcasses of New Zealand frozen mutton.

The price of New Zealand frozen meat in London varies according to quality. It sometimes happens that the carcasses are damaged by smoke, heat, and water, as in a recent shipment by the steamer *Ionic*, but the greater part of the New Zealand meat upon its arrival in London is found to be in excellent condition. The last shipments of the New Zealand Shipping Company's steamers brought 8 pence (16 cents) per pound.

Rabbit-skins.—Dunedin exports annually 4,000,000 or 5,000,000 rabbit-skins. The number of rabbit-skins exported during 1882 from Dunedin was 4,733,652, valued at \$228,255. The total number of exports of rabbit-skins from all the ports in the colony during the same year was 9,198,937, of the value of \$443,625. The number of rabbits destroyed during 1882 is estimated at 60,000,000.

Although a strong and systematic effort is being made to get rid of the rabbits, nevertheless vast tracts of country are still infested with them.

In my special report on New Zealand rabbit-skins, published in the consular reports for May, 1882, I mentioned the fact that the rabbit pest was so destructive that it had become the subject of parliamentary legislation. I have now to inform you that this legislation culminated in the establishment of a rabbit department at Wellington, in accordance with the provision of the rabbit-nuisance act of 1882.

The superintendent of the rabbit department, in a recent report, expressed the opinion that the measures taken for the destruction of the rabbits were fairly successful. He admitted, however, that the department was unable to deal with large areas of waste land. He said:

The pests have undoubtedly decreased in number, but the area infested by them is slowly and gradually increasing.

Several patents have been taken out for fumigators as a means of destruction. Some of these fumigators on river-beds and where burrows are numerous have been fairly successful. Ferrets have also been introduced with partial success, but the best method for the destruction of rabbits is the use of phosphorized grain.

Butter.—The annual export of butter from Dunedin is increasing, but not as rapidly as that from Auckland.

In 1882 Dunedin exported 2,428 cwt., valued at \$64,300, and Auckland 3,088 cwt., valued at \$74,985. The total exports from all the ports of the colony during 1882 was 11,303 cwt., valued at \$260,440. Small quantities of butter are shipped to the South Sea islands, but the bulk of it goes to Australia, Sydney and Melbourne being the principal ports to which it is shipped. This butter is usually salted and packed in kegs of 50 pounds or in tins of 28 pounds each. The wholesale price here is from 16 to 20 cents per pound. The cost of freight on butter to Sydney and Melbourne is 37½ cents per keg of 50 pounds.

Cheese.—Cheese also forms an important article of New Zealand export, and now that American machinery has been introduced in nearly all the cheese factories of the colony it is reasonable to expect that the industry will soon swell to large proportions. The exports of cheese in 1883 were nearly double those of the previous year. The quality of the New Zealand cheese has greatly improved in the last few years, and the system under which it is manufactured is becoming more and more popular.

Tallow.—The export of New Zealand tallow during the year 1882 was 5,635 tons, and the value was \$829,690, against 4,157 tons, valued at \$503,155, for the year 1881. Of the tallow exports for 1882 Dunedin furnished 752 tons, of the value of \$98,786. Auckland, 475 tons; value, \$71,420. Wellington, 2,193 tons; value, \$348,165. Christchurch, 1,500 tons; value, \$215,575.

Total exports.—The total value of all kinds of exports from the colony of New Zealand during 1882 was \$33,290,040. Of these exports Great Britain received \$22,546,965; Queensland, \$171,880; New South Wales, \$276,930; Victoria, \$3,393,861; South Australia, \$357,790; Tasmania, \$25,260; Pacific islands, \$356,590; Canada, *nil.*; United States, \$2,533,420; China, \$94,175; South America, \$25; Japan, \$135; India, \$10,365; Mauritius, \$12,805; Cape Colony, Africa, \$215,505; other countries not enumerated, \$184,335.

G. W. GRIFFIN,
Consul.

UNITED STATES CONSULATE,
Auckland, New Zealand, March 31, 1884.

PERSIAN OPIUM.

REPORT BY CONSUL-GENERAL BENJAMIN, OF TEHERÂN.

I have the honor to report that several letters have been addressed to this consulate-general for the purpose of obtaining information regarding the character and price of Persian opium. I beg, therefore, to submit a few observations on the subject, which may be of value to our importers.

Some years ago the production of opium in Persia was larger than at present. The unusual proportion of morphia which Persian opium contains made it justly preferable to that produced elsewhere, and large quantities found their way to foreign markets, and especially to China.

Two causes have latterly tended to check the culture and export of Persian opium, although the trade in the article is still important. One of these causes alone might not have led to such a result, but the two

coming about the same time have somewhat discouraged the production of Persian opium. These causes were, the increasing adulteration of the article and the fact that the attention given to its culture materially reduced the more important culture of wheat, which led the Government to regard the opium product with disfavor.

Persian opium is chiefly grown in the provinces of Kermanshâh and Ispahân. The latter city is the center of the opium trade of Persia. The opium of Ispahân is the best; the highest grade has been found to contain 15 to 16 per cent. of morphia. It is fair to state, however, that of late the opiums of Kûm, Teherân, and Yezd have been growing in favor, some specialists considering the quality raised at Kûm as surpassing every other grade of opium. As the highest quality of Smyrna opium does not contain a mean of over 13.57 per cent. of morphia, some analyses placing it even lower, while the Persian drug yields at its best 13 to 16 per cent. of morphia, hard, it certainly rivals that of Smyrna, and is beyond question far superior to that of Egypt and India.

The chief objection to the opium of Persia lies in the adulteration to which it is subjected, the chief ingredient in this deterioration being grape-must, and sometimes small stones concealed in the parcels. This difficulty could be remedied by any enterprising house which, through honest, capable agents, could purchase the entire product of Persia, or of any one of the opium-producing districts, and give direct attention to the preparation and packing of the drug. A pure article could also be obtained by a firm ready to form a contract for a certain quantity of a given grade of the drug for a term of years, the continuance of the contract depending on the non-varying proportion of morphia in the exported article.

The average price of the opium of Persia, in its crude state, is now \$4.77 per kilogram. To 72 kilograms of opium are added 6 kilograms of linseed oil. The mixture is then subjected to a manipulation which reduces the 77 to 66 kilograms. These 66 kilograms are divided into one hundred balls, forming a Persian package. A specified number of the balls of opium make a case. The cost of packing, freight, and other incidental expenses bring the average price of a case of Persian opium, such as is prepared for export, up to \$366.66. The excise duties vary at different centers of the trade, but 5 per cent. ad valorem is the uniform rate according to the treaty of Turkomantchai on all goods exported to Europe or America, and, I may add, on all goods imported from those countries into Persia.

It is stated that 2,000 cases of opium, valued at \$732,000, are now exported from Bushire to England, besides what finds its way to China and other quarters from the other districts of Persia. There is no doubt that if sufficient encouragement were offered, especially by the establishment of agencies at Ispahân or Teherân, or by making permanent contracts, the product could easily be increased and the purity of the exported article improved. Indeed the opium merchants of Ispahân have already made overtures for the American trade, and are prepared to make contracts for a term of years.

It is proper to state inquiries made of practicing physicians at Teherân, including an American physician, elicit the highest opinions in favor of the opium of Persia as regards the character and quantity of morphia it produces when unadulterated.

S. G. W. BENJAMIN,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Teherân, March 25, 1884.

CULTIVATION OF CINCHONA IN BOLIVIA.

REPORT BY MINISTER GIBBS, OF LA PAZ.

In my dispatch of February 20, I gave some information of the export of the most important product of Bolivia—silver.

I have devoted some time and attention to acquire data and information relative to the next important article—cinchona bark, or quina—of which large quantities are exported yearly. Formerly it was gathered by the Indians, and in such a manner that large forests were destroyed, trees cut down, the bark taken in any way merely to make up large quantities; to-day the quina plantations, or, as they are called here, quinales, are cultivated and nourished with care and agricultural science, the principal planters being Germans—one, Mr. Otto Richter, possessing 2,000,000 plants; the estate of Mr. John Kraft, a Hollander, lately deceased, 2,000,000.

The cultivation of quina in plantations, systematically, has been carried on for about seven years, hardly long enough to show all the advantages, as there is room for much study and improvement.

Mapire, about 60 leagues north of this place, or about 5 days' journey, has under cultivation about 4,500,000 plants; Longa, northeast of this city about 20 leagues, 500,000 plants; Yungas, east-northeast 20 leagues, 1,000,000 plants; Guanay, east of Mapire, 500,000 plants; total, 6,500,000 plants.

Where the principal quinales are it is a very rough and broken country, the Andes being seamed and cut into deep valleys in every direction. The trees are planted on the sides of the valleys or ridges in altitudes of about 3,000 to 4,000 feet above the sea. They will grow higher up, even to 8,000 feet, but are stunted and will give little or nothing of what is called here the quinia salt. The plants want a great deal of sun, heavy rains, and fresh winds.

I have conversed with three of the principal superintendents of the large quina plantations—all Germans—and they say that the cultivation of quinia is yet in its infancy, and there will be many improvements through time and experience.

A tree will give from 15 to 20 pounds of seed. The seed is collected in November and December (the early summer months here) and planted very thickly in boxes or beds about 12 feet in length and 3 feet in breadth and placed on a slight decline or fall and well irrigated. When the plants are about 6 inches in height and have a few leaves, from 5 to 6 (which is about five months), they are transplanted; holes of some 8 to 10 inches deep are dug about 6 feet apart, in which they are planted. The plant is covered partly over with twigs and other light stuff, grass and leaves, to keep off the sun for about three months. When the plant is strong and healthy, the undergrowth of other plants is cleaned out and great care is taken. This attention continues for about two years, and then the plants that are left are considered sound. About 25 per cent. of all the plants decay or rot in this time. Afterwards the undergrowth is cleared out once a year, and when the tree is six years old it is productive, grows to about 14 feet in height, and has a diameter of about 6 inches up to about 6 or 7 feet. Where the bark is of the most productive kind, the trunk grows straight and slender, and has

the form of an orange tree. When a tree is left standing for ten or twelve years, it is over a foot in diameter, the bark is thicker and heavier, but not so productive in quinia. The bark is ready to cut when the tree is about six years old. An incision is made around the trunk of the tree a few inches from the ground, another incision some 24 inches above around the tree, and then two incisions opposite, lengthwise. The bark is pulled off in two pieces. Two cuts, and sometimes three, are got off each tree, 22 to 24 inches in length, and 7 to 8 inches in width. When covered it curls up like the cinnamon bark. After the tree is stripped it is cut down, leaving a trunk about 12 inches above the ground, and from the base, where the bark has been left, there springs out some fifteen or twenty shoots or sprouts; these are left growing until they are a little higher than the stump, then they are thinned out, leaving two or three; they grow fast and in five years give good bark.

The trees produce on an average about four and a half pounds of bark, and are stripped in the southern hemisphere late in spring—October to January. The bark is placed in paved yards, and is generally cured in four days, but if rains set in, at times it takes nearly three weeks.

The principal enemy in the insect line is a large black ant, which is very destructive. There are various classes of the quinia tree, calisaya, green and purple. The greater part of the quinia passes through this city baled and sent to Tacne and Mollendo. Cinchona is the common name for all quinia.

The market price is now 40 cents per pound, Bolivian currency. It has sold as high as 200 bolivianos per quintal. It formerly paid a tax of 6.40 bolivianos per quintal; now one-half, 3.20 bolivianos, one-half to the Government and one-half municipal.

As the greater part of the quinia forests were destroyed, and, until very lately, the cultivation of quinia had not been carried out in a proper manner, it is only now that it may be said to be a regular business. The highest exportation of late years has been 20,000 quintals; but it has dwindled down for various causes, so that this year it will not be more than 5,000 quintals, and at present prices leaves no profit, the expenses of getting it to the coast being heavy.

RICHARD GIBBS,
Minister.

LEGATION OF THE UNITED STATES,
La Paz, Bolivia, April 8, 1884.

COMMERCE OF BOLIVIA.

REPORT BY MINISTER GIBBS.

Since my arrival at this post I have made every exertion to get statistical information as regards imports and exports from this Republic, but have not acquired much. Until very lately there was no bureau of statistics, and as yet nothing has been published.

The minister of finance published a report last October, and latterly has issued some details in connection with the report as addenda, from which I have extracted some very meager details.

According to this report there were exported from the Republic in the year 1882—

		Bolivianos.
By the Argentine route:		
Silver in bars and in metal	18,762,892.20	
Bismuth	117,914.60	
Tin	107,500.00	
Total	18,988,306.80	
By the Pacific:		
Silver	1,233,454.84	
Tin	149,022.68	
Copper	600,000.00	
Total	1,982,477.52	
Total	20,970,784.32	
Other merchandise:		
By the Argentine route	387,315.70	
By the Pacific	630,083.01	
Total	21,989,184.03	

The principal export is silver, which is produced in immense quantities, as I will show further on.

Quinia and India-rubber gum—of these articles there are no data; great quantities of the latter are taken down the various tributaries of the Amazon from El Beni and Santa Cruz to Brazil.

SILVER MINES.

I have tried to get some reliable data of the silver product. The Government collects a revenue or tax of \$1.10 per ounce, and this has been farmed out. Parties who are interested in getting the contract to collect the tax use every means to prove it is much less than it is. The large mining companies make returns of their products as small as possible so as to avoid paying the impost.

By various ways, in conversation with many persons interested in the silver mines and, some of the leading shareholders, I calculate the product of the mines of Bolivia at 15,900,000 ounces, and from all accounts it is increasing, as new machinery and methods are being introduced.

The Huanchaca mines, situated in the southern part of Bolivia, about latitude 20° south and longitude 67° west, in a southwestern direction from Potosi, are considered the richest, and produce about 5,600,000 ounces; late discoveries there show great riches.

Potosi is still productive, after being worked over two hundred and fifty years, and produces about 1,200,000 ounces. Oruro, in late workings is producing well, about 1,200,000 ounces. Oruro is about 140 miles southeast from here, with a fair carriage road. The Guadalupe, situated about 100 miles south of Potosi, produces about 1,200,000 ounces. A total of 9,200,000 ounces.

The Colquechaca mines, in the province Aullagas, about latitude 18° south, directly north of Potosi, are considered the richest, after those of Huanchaca, with new tunnels driving, and large quantities of ore in sight; they produce about 3,200,000 ounces.

These are the five principal mines of Bolivia, worked with heavy capital and on a large scale.

There are many small mines all over the Bolivian-Andean Plateau producing well, and, from the same authority that I have collected the

foregoing data, it is calculated give about 3,500,000, making a total of 15,900,000 ounces. This is about the product of last year; that of 1882 can be calculated by the export as given above. The revenue was farmed out for 1882 at 808,358 bolivianos, which at 10 cents per ounce would be 8,083,580 ounces; and it is said that those who purchase the privilege of collecting the tax make a great profit. The bid for the Huanchaca mines alone were 469,936 bolivianos, which brings it nearly up to the output.

SILVER COINAGE.

According to the minister's statement, the nominal value of silver coined in 1882 was 2,090,404.20 bolivianos; cost of silver, 1,967,800.85 bolivianos; profit on coinage, 122,603.35 bolivianos.

From inquiries of competent authority I am informed that the amount coined in 1883 is about the same, a large part in pesetas or pieces of 20 cents. These and the 15 and 30 cent pieces of the Melgarejé administration are the most in circulation.

Very few of the 10-cent or 5-cent coins are seen; they are hoarded by the Indians for the convenience of change in their traffic. The large coin, bolivianos and half bolivianos, are not in circulation in this province.

The Government has decreed a coinage of nickel, but it is not yet in circulation; it was coined in Paris, 5 and 10 cent pieces, to the amount of 200,000 bolivianos, and is said to have been imported through the Argentine Republic.

BANKING.

There is only one chartered bank in Bolivia, the Nacional at Suere, which has branches here, at Cochabamba and at Potosi; its charter expired 31st of December last, but it still continues its operations. The profits are very great and a large amount is placed in a reserve fund each year. The capital is 14,000,000 bolivianos.

The balance-sheet for the six months ending December 31 last leaves a profit of 408,554.81 bolivianos, which was divided as follows:

	Bolivianos.
Paid the stockholders, 12 per cent	168,000.00
Paid bank officials as agreed over their salaries, bonus	4,627.13
Reserved fund for next six months	235,927.68
Total	408,554.81

General balance.

Liabilities due to public:	
Circulation	1,871,629.43
Deposits	2,409,904.91
Bills accepted	70,404.00
Balance due agencies	169,370.19
	4,521,308.53

Liabilities due to stockholders:	
Capital	1,400,000.00
Reserve	200,000.00
Dividend in fund	10,655.00
Loss and gain	408,554.81
	2,019,209.81
Total	6,440,518.34

Assets :

Cash in silver.....	798,594.93
Remittances in transit	328,262.71
Loans	5,225,410.19
Real estate, buildings, &c.....	173,706.40
Interest accounts	14,157.90
Accounts unsettled.....	386.21
	<hr/>
	6,540,518.34

The loans are made on mortgages, but the greater part on paper, with two first-class names added; discount 11 per cent. per annum, loans 11 per cent., mortgages 11 per cent.

The bank pays 4 per cent. on deposits of over six months' time and 2 per cent. on open accounts.

The principal business of the bank at Sucre has been advances on silver in bars, but I have been informed on good authority that the Colquechaca mining companies have resolved to do their business direct with London by remission of silver and selling exchanges; it is also said that the Huanchaca company will pursue the same course. A great part of the business or commerce of the country is done through foreign houses. All the imports, with few exceptions, are mostly through German houses. By personal inquiries of different houses I find there are about 42 firms of first-class in Bolivia, located in La Paz, Oruro, Cochabamba, Potosi, Suere, and Tarija, of which 15 are natives, 15 German, 6 French, 5 Spanish, and 1 Hollander. No English or American.

I made many inquiries, and got the names from the different commercial houses and compared the lists with various persons, and the above data is correct—that is, of houses who are connected with foreign trade by export or import. Some of the principal houses have branches in one or more places, and that may add a few more establishments to the number, which will not reach 50 in all.

I have made out the above statement, being led to it by reading in our trade journals long articles about the South American trade and our small share of it. As long as American merchants sit quietly at home and wait for the business to go to them there will be no commerce with these South American countries; it will be the parable of old, where many were invited to the feast but they came not; and servants were sent to the highways and byways and many were brought in.

The Germans, particularly, come to these Republics and bring capital of their own, or are supplied by large houses in Europe. Generally well conversant with the English and Spanish languages, they go to work, locate themselves fairly in the country, and in a few years build up a large trade. They are not going to send to the United States for merchandise even superior and as cheap; they are bound by many interests to send to Europe for their goods, and as a matter of course they pay for their imports by products of the country, which are all sent to Europe, where the trade and all the exchange come from—all in sterling and no dollars.

All this I explained to the Department, when I was minister to Peru, April 26, 1878.

In conclusion, as regards silver products, rich discoveries have been lately made in Chili of silver mines.

The province of La Paz, in the southwest corner of this Republic, is known to be rich in silver. Peru is loaded with silver ores, and I have no doubt that when peace has full sway again over these three Republics, and pent-up energy and capital let loose, they will add 50,000,000 ounces silver to the world's use annually. Add to this the \$18,000,000

or \$20,000,000 produced by Mexico, and it appears to me that the supply will far exceed the demand.

RICHARD GIBBS,
Minister.

LEGATION OF THE UNITED STATES OF AMERICA,
La Paz, Bolivia, February 20, 1884.

FRUIT-CULTURE IN BRAZIL.

REPORT BY CONSUL-GENERAL ANDREWS, OF RIO DE JANEIRO.

In reply to the Department's circular of December 4, in respect to fruit-culture, I would state that neither olives, figs, nor lemons are grown in this country for commercial purposes. Figs are grown, and some fresh figs are occasionally seen in the market. The lemons which are raised are small and of green skin.

GRAPE-CULTURE.

Grape-culture appears as yet to be in its infancy, though German and other colonists are giving increased attention to it. Grapes are successfully grown in the interior at an elevation of 2,000 feet, as well as on the warmer low land of the coast. The best results are obtained on sloping ground with gravelly soil. The only grapes of domestic growth which are to be seen in the market here are the Isabella, which are retailed at from 20 to 40 cents a pound as soon as they have got color and while they yet contain a good deal of acid.

Probably grape-culture will in time develop into an important industry, but as yet its results scarcely furnish any facts of interest to our American vine-growers.

BRAZILIAN ORANGES.

It is different in respect to the oranges of Brazil, which appear to flourish in all parts of the Empire, and some varieties of which are sweet and good. Large quantities of these are consumed in the country, and a few million are exported in bulk to the neighboring countries, Uruguay and the Argentine Republic.

As Pernambuco is distinguished for its good pineapples, so is Bahia—about midway between that port and this—distinguished for its large, sweet, and delicious oranges, the favorite variety being the Umbigo, which is without seeds. It begins to ripen about May and lasts till September.

Sweet and excellent oranges are also produced extensively in the vicinity of Rio de Janeiro. The most common and popular kind is the Siletta, which when ripe has a sweet and delicate flavor not much inferior to our finest Florida oranges. It also has the size and form of a good Florida orange. When ripe the skin has a tinge of green mixed with yellow. These Silettas when they first appear in the market, say in the month of April, are retailed at 8 cents each, while during the month of June they can be had at a cent each. This variety is the orange of commerce, and of which, as I have said, large numbers are exported loose to the River Plate countries. The price paid for them at

the orchard in June, say at Villa Nova, an easy day's carriage from this port, partly by water, is \$2 per thousand.

Another variety, and which is much used for the table, is the Tangerina. This is smaller than the Siletta, with deep orange-colored skin, that breaks easily when peeling, and has an aromatic odor; it contains many seeds, and has somewhat of a strawberry flavor and color. It ripens at the same time as the Siletta.

Another good variety is the Natal, which is particularly valuable for its ripening at about the time of Christmas.

In regard to cultivation, I am afraid there is not much information of value to communicate. There is none of that enthusiasm in orange-growing here that there is in Florida. One sees orange trees in almost every garden, but many of them bear only natural and worthless fruit.

Generally orange orchards which grow fruit for the market are situated on low and somewhat sandy land, the selection being influenced by the facilities of water transportation. The young trees are planted in the months of April and May, though sometimes they are planted in March; also in February, if the latter month be rainy. In the following August the trees are budded, provided, as is usually the case, they have got a good start.

The trees are planted about 15 feet apart. They begin to bear in about five to six years, yielding 20 to 30 oranges each, and then continue to increase for ten years after, when they are in full bearing, and produce 200 to 300 oranges per tree. They remain fruitful thirty years and more, according to cultivation. In the most favorable circumstances a tree will produce 1,000 oranges in a year.

The oranges are gathered by knocking them from the limbs with a pole so that a piece of the twig 2 or 3 inches in length adheres to the orange. They are not gathered till they have lain on the ground a few hours in the sun to dry.

After a tree is grown it is pruned a little twice a year.

One man will knock off and gather about 3,000 oranges per day at wages of 1 milreis, say 43 cents, per day, and his meals.

It costs about \$60 to \$80 a year for the labor to cultivate and take care of 1,000 trees. Different crops are sometimes raised between the trees when they are young.

Orange trees are liable to attack and injury by a large black ant, which eats the leaves, and which is destroyed by pouring bisulphide of carbon into the ants' nest in the ground; also by a black bee, about the size of a common fly, and which is destroyed by burning its nest.

Brazilian oranges will stand a voyage of about twenty days. They have sometimes been taken in small numbers from Bahia to the United States.

This city buys many good apples and pears from the River Plate countries, and just now apples from there which are similar to the American greening retail here at 12 cents each.

C. C. ANDREWS,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Rio de Janeiro, Brazil, June 9, 1884.

EXPORTATION OF SUGAR AND WOOL FROM PERU.

REPORT BY ACTING CONSUL BRENT, OF CALLAO, TRANSMITTING TWO GOVERNMENT DECREES ABOLISHING THE EXPORT DUTIES ON SUGAR AND REDUCING THOSE ON THE EXPORT OF WOOL.

I have the honor to inclose copies and translations of two important decrees recently made public by the Government of Peru, relating to the exportation of sugar and of alpaca and sheep's wool from Peru.

The production of sugar from beet-root in Europe (principally in Germany) has so greatly influenced Peruvian sugar in European markets that the price has fallen within the last two years from 20 shillings to 16 and even 15 shillings sterling per cental. With the heavy prices paid for labor on estates in Peru, the supply of hands being wholly inadequate to the demand, the losses suffered by the planters from the blockade, the ruinous damages inflicted by the Chilean forces, and the large credits held against the planters by mercantile houses at Lima and abroad for money advanced, it is not probable that this branch of industry can be made profitable for some time to come.

It is a proof, however, of the sound sense of the Government of Peru in lifting the heavy outward burdens bearing on the export of sugar and on the very valuable wool product of Peru, and thus encouraging planters and growers, even at the immediate diminution of the national revenue.

H. M. BRENT,
Acting Consul.

CONSULATE OF THE UNITED STATES,
Callao, June 8, 1884.

DECREE RELATIVE TO SUGAR EXPORT.

[Translation.]

THE TREASURY DEPARTMENT,
Lima, May 5, 1884.

It being manifested by the commission named to decide on the request of the planters of sugar-cane that it would be to the advantage of the State, and to the growth of that industry, to permit the free exportation of sugar, and as the Government desires to extend protection to all industries established in the country that may give a field for labor and attract foreign capital, it is—

Resolved, That from the 1st of June of this year (1884) all export duties on all or any classes of sugar are to be abolished.

DECREE RELATING TO WOOL EXPORT.

[Translation.]

THE DEPARTMENT OF THE TREASURY AND COMMERCE,
Lima, April 20, 1884.

With regard to the report of the collector of customs at Mollendo, answering the request made by this department concerning the inconvenience of maintaining the present export duties on alpaca and sheep's wool, and as it appears from the report alluded to that such duties are burdensome on a national industry, it is—

Resolved, That from the 15th of May, 1884, such duties are to be reduced and fixed and follows:

Two sols and fifty cents silver for every metrical quintal of alpaca wool.

One sol and twenty-five cents for every (silver) metrical quintal of sheep's wool.

RAINFALL AND TREE-PLANTING IN EGYPT.

REPORT BY CONSUL-GENERAL POMEROY, OF CAIRO.

I have the honor to reply to your dispatch No. 56, dated April 19, ultimo, requesting that information be furnished to the interrogatories contained therein with reference to the rainfall and the tree-plantation in Egypt.

I have to inform you that during my absence from Egypt Mr. Comanos, vice-consul-general, spared no pains in procuring authentic and accurate facts, upon which the inclosed report is based.

I am obliged to say that in the absence of regular agricultural and statistical departments in this country correct information is very difficult to collect.

G. P. POMEROY,
Agent and Consul-General.

AGENCY AND CONSULATE-GENERAL OF THE UNITED STATES,
Cairo, Egypt, July 1, 1884.

TREE-PLANTATION IN EGYPT.

1. In what epoch did tree-plantation commence in Egypt?

In Cairo, in the year 1870, with the exception of the trees (*Ficus sycamorus*) in the Shauhra avenue and in the Kaubé road (two of the principal avenues of this capital), which were planted in the first years of the nineteenth century. Properly speaking, no new plantations have taken place in Egypt. Those that existed have, however, increased since the time of Mohammed Oly, and received a still greater impulsion during the reign of Ismail Pasha, ex-Khedive of Egypt.

2. How many trees have there been planted up to this date?

Since the year 1870, 6,409 trees have been planted in Cairo, including those of the Shauhra avenue and of the Kaubé road above mentioned. In the statistics of 1879, the number of female date-trees is only given, which amount to 4,479,701 for the whole of Egypt. As to the male date-trees and other kind of trees no mention is made.

3. What is the nature of these trees?

Acacia lebacks, *Ficus sycamorus*, and *Psicoiana regia*. The most important in number are the date-trees, after which come the *Acacia nilotica*, the tamaris, the orange-trees, &c.

4. In what parts of Egypt have these trees been planted and when?

In Cairo, in the avenues and in the principal roads, and more specially in the lands where culture was extended, owing to the new canalizations. The palm-trees, however, exist everywhere.

5. What is the present condition of these trees?

Excellent. The aforesaid trees, and principally the *Acacias lebacks*, are being developed very rapidly, and in the course of two or three years spread a very good shade. They are watered only during the first five years of their development.

The palm-tree, native to this country, the *Acacia nilotica*, the sycamore, &c., are very prosperous. But the greatest part of fruit-trees introduced from Europe do not prove successful in vegetation. Their fruit is of an inferior quality.

OBSERVATIONS CONCERNING THE QUANTITY OF RAINFALL IN CAIRO FROM THE 1st OF JANUARY, 1882, TO THE 31st OF MAY, 1884.

[Information furnished by the meteorological service of the Khedival laboratory.]

Latitude north, $30^{\circ} 14' 4''$; longitude east of Greenwich, $2^{\circ} 5' 6.24''$; elevation of the instruments above the level of the sea, 27 meters.

Quantity of rainfall in the year 1882, during the following months :

[In millimeters.]

Date.	Quantity.	Date.	Quantity.	Date.	Quantity.
Jan. 12	Drops.....	Feb. 23	Drops.....	May 23	0.70
14	do.....	24	0.80	Total	0.70
19	do.....	Total	8.40	Nov. 2	2.20
20	do.....			3	Drops.
Feb. 2	Drops.....	March 17	Drops.....	28	0.40
3	0.20	31	do.....	Total	3.00
4	0.60			Dec. 7	Drops.
5	Drops.....	April 1	20.40	14	0.20
6	4.80	9	Drops.....	23	0.50
7	1.30	11	do.....	25	3.80
8	0.10	14	do.....	28	Drops.
10	Drops.....	15	do.....	Total	4.50
11	do.....	Total	20.40		
12	1.00	May 14	Drops.....		
15	0.20				
20	Drops.....				

The observations during the months of August, September, and October had been interrupted owing to the insurrectional events.

N. B.—The slight showers designated under the name of drops, not having led to any indication whatever in the pluviometer, can be calculated at about 1 millimeter.

RECAPITULATION.

February.....	8.40
April.....	20.40
May.....	0.70
November.....	3.00
December.....	4.50
Estimate of drops.....	1.00
Total quantity of rainfall.....	38.00

Quantity of rainfall in the year 1883, during the following months :

[In millimeters.]

Date.	Quantity.	Date.	Quantity.	Date.	Quantity.
January..... 6	Drops.....	April..... 23	Drops.....	November..... 3	Drops.
21	0.70			4	Do.
29	Drops.....	Estimate of drops.....	0.20	22	Do.
Estimate of drops.....	0.30	Total.....	0.20	24	Do.
Total.....	1.00	May..... 6	A few drops	Estimate of drops.....	2.00
February..... 3	Slight shower	19	Drops.....	Total.....	2.00
13	Drops.....	Estimate of drops.....	0.80	December..... 2	Drops.
24	1.70	Total.....	0.80	3	2.10
25	2.80	October..... 8	Drops.....	6	Drops.
27	1.10	11	10.60	25	Slight
Estimate of drops.....	1.00	19	Drops.....	26	shower.
Total.....	6.10	Estimate of drops.....	0.40	27	1.70
		Total.....	11.00	Estimate of drops.....	4.30
				Total.....	11.10

RECAPITULATION.

January	1.00
February	6.10
April	0.20
May	0.80
October	11.00
November	2.00
December	11.10
Total quantity of rainfall	32.20

Quantity of rainfall in the year 1884, during the following months :

[In millimeters.]

Date.	Quantity.	Date.	Quantity.	Date.	Quantity.
January 20	Drops 1.00	February 22	5.70	April 2	2.00
21	2.00	23	Drops	Estimate of drops.	2.00
22	2.90			Total	2.00
23	Drops 1.80	Estimate of drops.	0.80		
29	1.80	Total	7.40	May 4	Drops.
30	1.50			12	Do.
31	2.20	March 8	Drops	20	Do.
Estimate of drops..	0.30	17	do	24	Do.
Total	9.70	18	do	30	Slight
		29	do		shower.
February. 7	1.10	Estimate of drops.	0.50	Estimate of drops.	1.00
13	Drops	Total	0.50	Total	1.00

RECAPITULATION.

January	9.70
February	7.40
March	0.50
April	2.00
May	1.00
Total quantity of rainfall	20.60

FRUIT CULTURE IN ZANTE.

REPORT BY CONSULAR AGENT CROWE.

In accordance with the instructions contained in the circular addressed by the Department to this agency, in date of December 4, 1883, requesting information on the fruit culture of this island, I have the honor to furnish the following particulars, derived partly from personal observation during my long residence in Greece, and partly from data kindly imparted to me by some of the best and most practical cultivators.

CURRENT-GRAPE VINEYARDS.

Raisins, such as are generally known by this term, are not prepared here, though many varieties of the grape grow in profusion in this island. The currant-grape was originally imported here by refugees from Corinth in the year 1530, A. D. It is a small purple grape, free from seeds, and now forms the staple production of this island, the adjacent island of Cephalonia, the Morea (Peloponnesus), and is also cultivated to a certain extent near Missolonghi, Lepanto, and the islands of Ithaca and Santa Maura.

The position of these vineyards is mostly on the plains bordering the sea-coast; the foot of a wooded hill, the deposits from which enrich the

soil below it, with a sunny aspect and good circulation of air, is considered the best position. Although many vineyards extend right down to the sea, the plants within 500 or 1,000 yards of it are liable to suffer.

Sea fogs and mists are not considered injurious. The mildew (*Oidium tuckeri*) which first appeared amongst the vines in 1852, is most efficaciously combated by sprinkling finely-powdered sulphur (imported from Sicily) over the shoots and leaves, say, just before the flowering, and if required to be repeated, at intervals before the ripening of the fruit, it is either applied with a small perforated hand dredger or by means of a bellows with a recipient made of tin attached to it which contains the sulphur; the latter is more generally in use.

The mode of pruning, in principle, is much the same everywhere, but the height of the stem, and other peculiarities in the form given to the plant, is somewhat different here to what it is in the Morea.

The best results are mostly obtained on a rich, light soil, with an admixture of sand in it; but it is a singular fact with the currant grape that, however carefully it may be cultivated, it will not give the same results as to size of berry, color, saccharine substance, or aroma in all districts. For instance, the Zante currants (as indeed all the island currants) are much smaller in the berry than those produced on the mainland, but they have more aroma and sweetness than perhaps any other currants grown. Then, again, commencing from the top of the Gulf of Corinth, southward all along the sea-coast of the Morea, right down to Calamata, in Messenia, the quality gradually deteriorates; thus Corinth, Vostizza, and Patras, all within the gulf, producing the first quality, then Gastouni and Pirgos, in Elis; after this, Filiatra and Gargaliano, in Trifyllia, and finally the produce of Pylia and Messenia. To a connoisseur there is a marked difference in the average quality of these various grades; the market value confirms this.

Whereas Gulf, Vostizza, or Patras may be worth 25s. per hundred-weight, Calamata or Pylos would not fetch over 15s. or 16s. per hundred-weight, the redeeming point for the grower being that in the southern districts the vines are more prolific, frequently doubling the production of other vineyards.

The best results, as mentioned above, are generally obtained at the foot of the hills; but this is not always the case. The great point is that no trees of any kind be planted in a vineyard; that it should get plenty of sun, and that the air should circulate freely in it. Sometimes during its infancy a vineyard is planted with tomatoes, melons, and such like; but this is strongly deprecated by all good cultivators as tending to weaken the soil, and if planted at all, it should be done sparsely.

Planting and cultivation.—Cuttings which have been buried since January are planted out in March, if the soil is dry enough, at a distance of about 4 feet from each other, and should commence bearing in the third or fourth year, but the seventh or eighth is reached before full bearing. I have seen plants over 100 years old, but they naturally produce very little; if carefully attended to, a vineyard should continue to be fruitful up to the fiftieth year, though the system of "ring-cutting" or making an incision all round the stem or principal branches has tended to weaken the plants, and in poor soils they have to be renewed every thirty or forty years.

The incision is made after the fruit has set, to keep the sap up and produce a larger berry, or what is known in commerce as "bold fruit," and as this is in vogue in most consuming markets, by far the greater

portion of the crop is thus treated, the result being that the keeping properties of the fruit are sacrificed to the fashion of trade.

Irrigation.—There is no system of artificial irrigation, but if the winter has been a dry one every means are resorted to to try and irrigate as best one can.

Yield.—The yield, value, and cost of the crop per acre varies according to the soil, cultivation, and other circumstances. The wages of laborers are an important item; as a rule they are much lower in the islands than on the mainland; here 50 cents per diem is considered high, whereas in the Morea it sometimes exceeds 75 cents and even \$1 per diem. A good average in this island is 260 pounds net fruit per "axinari," or 2,083½ pounds per acre, since 8½ "axinarias" form an acre; the average value of late years have been \$62.40 per acre; the cost of the crop as far as cultivation goes, from beginning to end, including sulphuring (about 80 pounds per acre being under ordinary circumstances consumed), is \$22 per acre. The cost of a good vineyard would be about \$450 per acre.

This island's annual yield of currants is now, on an average, nearly 7,000 tons, the acreage under cultivation being over 10,000 acres, but this is going on increasing, as many fine olive groves are being rooted up to make room for the currant plant.

I hope I may prove a false prophet, but this tendency to trust all one's eggs in one basket, I fear, will in the end prove disastrous to the interests of this beautiful island, where the olive flourishes, and the produce can be collected without much expense, and showing a value, one year with another, of over \$300,000, and this whilst large tracts of virgin soil in the Morea are annually being brought under cultivation, threatening before very long to bring the total production of currants in excess of the requirements of the world, especially if the condition of the vineyards in France improves, since, owing to the ravages of the phylloxera in that country, some 30,000 tons of dried currants have in recent years been annually imported direct, or via other countries, for wine-making purposes.

The annual total production of currants of late has exceeded 120,000 tons—indeed, had not rain damaged a considerable portion of this last year's crop the yield would have been over 130,000 tons—and the production could be increased to an almost unlimited extent should an unforeseen demand require it.

The old English firm of Barff & Co., established in this trade since the early part of this century, gives a table showing the production and distribution of the whole currant crop from 1820 to 1883, of which I inclose a copy.

WINE GRAPES.

Besides the "currant" grape, there are probably sixty or seventy varieties of the grape grown in this island, of which only some seven or eight are cultivated for making wine, the remainder being for eating purposes; amongst the latter, one occasionally meets with a very luscious black American grape (the Susquehanna, I believe), known here as the "Isabella," in flavor something between a strawberry and a raspberry; a peculiar feature about it is, that the "oidium" or mildew disease, has no effect upon it, and consequently sulphuring is dispensed with, although often grown in the midst of a vineyard of other grapes subject to the disease; the conclusion is, that its resistance is owing to its belonging to a much younger stock, and is consequently hardier.

The vineyards producing the best wines are mostly on hillside, with sunny aspect, or on light shallow and rather stony soil. I have heard

of grapes grown in a soil entirely of sand, near the sea, producing excellent wine, though the yield is small. A very superior quality of both white and red wine is made here, resembling the best full-bodied Sicilian, and in the cellars of careful viticulturists a capital imitation of Sherry, and even Port, is to be occasionally met with.

Mode of cultivation.—The cultivation of both the currant and wine grape is very similar to the French method, only that the system of low cultivation prevails, no plant exceeding 4 feet in height; only eating grapes, especially winter species, are trailed up.

Owing to the difference of climate the various processes are somewhat earlier in these latitudes than in France, and the currant has the attention of the grower before the other vines. The fruit of the former is ready the latter part of July or beginning of August, when the bunches are gathered and laid out on carefully prepared drying grounds which have been previously besmeared with a coating of cow's dung liquified in water, or in wooden trays, and remain exposed for eight, ten, or more days, according to the power of the sun's rays. They are then cleared by a light twig-broom from the stalks, heaped together for about twenty-four hours, and finally passed through a winnowing machine, and are then ready for market.

The vintage of the wine grape commences the latter part of September. If an extra sweet wine is required the grapes are exposed to the sun for three or four days after being gathered, before they are pressed out.

ORANGES AND LEMONS.

There are many varieties of both, including the egg-shaped, the blood, the mandarin or tangerine orange, and splendid lemons, some without pips, the bergamot, &c.; in fact I should say that they are as fine as those of any country. Trees begin to bear fairly well after the sixth or seventh year, and may remain fruitful upwards of one hundred years. Much depends upon the soil and care bestowed upon them. They are reared from seedlings, grafts, and buddings.

Budding is preferred to grafting. Another method pursued here is to cut a healthy, smooth branch of about $1\frac{1}{2}$ inch in diameter into lengths of about 1 foot; they are then buried in the ground in January at a depth of rather over a foot, and in the following April are planted out, slightly inclining, leaving only an inch or so above the surface. Another plan is clasp ing a pot or box round a young branch of a tree, keeping it well filled with earth, and after the third year, when it will have formed strong roots, severing it from the parent stem, and planting it in January or February.

As a rule the trees here have not been troubled with any serious malady. Although in some parts of Greece, notably in Poros, whole orchards have gradually dried up no remedy has so far been discovered. The trees are planted 15 to 18 feet apart. Here the orchards succeed best in a sheltered part of the plain or valley, at some distance from the sea; the best results are on a light, sandy soil, though on some rich boggy soil I have seen some marvelous specimens of both orange and lemon. The best orchards, as a rule, are at least a mile away from the sea.

In very hot weather the trees are irrigated at night from wells or cisterns, but there is no regular system in use, and in certain localities it is not necessary. The ground is dug thrice a year, in March, May, and October. Very little pruning is required beyond keeping the trees in good shape, and free from dead twigs or branches. Manure is laid on

every two or three years if the soil is poor. No crops are grown under the trees in properly cultivated orchards, and only the peach tree is in some orchards planted, as it does not last many years, and the soil is not weakened by it.

A first-class orchard yields about \$400 per acre annually, expenses being about \$35, including manure.

OLIVES.

There are two varieties here, the indigenous and a variety introduced from Corone, in Messenia; the latter is the most prolific. Both bear a small, greenish-black fruit.

Process of cultivation much the same as the orange tree. The ground is plowed regularly twice a year, in March and December, and every fourth year during the summer manure is sown, resulting in a crop of hay in the following spring.

The Queen Olive is not produced here.

The trees come into full bearing after the twentieth year. There are fruitful trees several centuries old. The average annual yield per acre of mature trees is 33 gallons of liquid oil; 325 pounds weight of olives yield 4 gallons of oil; much depends upon the quality of the soil and the season.

The trees are planted about 20 to 24 feet apart. Olives intended for pickling are picked when they are barely ripe, but these are few and only for local wants.

The olives for oil-making are picked, or rather knocked off the trees, when ripe. The process of preparing them for table use is simply salting them, putting them in oil or vinegar; in the latter case they are generally slit on the sides. The process for extracting oil is very primitive. The olives are generally crushed between millstones, the upper stone being turned by a horse. Another process is to put the olives between goat-hair sacks, throw boiling water over them, and then press them as one would grapes. Such oil is never good. The peasantry frequently keep a portion of their crops of olives for a couple of years without crushing them. To do this they are thoroughly sprinkled with salt, and simply left in a corner of their room. It is said that they do not lose either in weight or liquid, but such oil when extracted is liable to be rancid. The process of knocking off the fruit with sticks is much to be deprecated, since many fine shoots are thus destroyed.

Valley, hillside, or table-land are all adapted to olive trees. Much depends on the nature of the soil. A hard clay is bad. The best oil is from trees grown on a stony hillside, but the yield is small.

There is no system of artificial irrigation, but copious rainfalls in winter are indispensable to insure a good crop; even then the olive seldom bears a full one except every second year.

Orchards come right down to the sea coast. The olive requires plenty of air, and a high wind is indispensable to insure the proper setting of the fruit. Close, sultry weather during the flowering prevents the flower from falling, and a worm is then generated. Of late years many orchards have been attacked by blight, which causes much of the fruit to drop off when approaching maturity. The cause is unknown, and no remedy found so far to combat it.

The cost of cultivation is not over \$12 to \$14 per acre, and \$6 to \$8 more for collecting the fruit, cost of manure not included. As a rule the proprietor of an orchard is satisfied with the benefit derived from the manure, and the person who provides it has the hay in return.

No meteorological observations are taken here. I am indebted to Mr. W. G. Foster, superintendent of the Eastern Telegraph Company, for the inclosed table showing the temperature during the summers of 1882 and 1883.

FIGS.

No figs of commerce are grown here. Four or five varieties are produced in abundance, both green and black, but they are eaten fresh, the large orchards bearing fruit after the middle of May and all June. A smaller and sweeter fig ripens in August and September, but these are not grown in orchards, only a tree here and there in gardens.

The cultivation resembles that of the orange and lemon, only, that less attention is bestowed on the orchards, and crops of beans and such like are frequently grown under the trees. If figs are grown on a rich soil they are liable to suffer from worm disease.

No figs are dried in this island; an attempt was once made, but it did not succeed. The only part of Greece where figs are cured is at Calamata, in Messenia, but they are very inferior to the Smyrna fig; they are principally exported to Southern Russia or to Trieste, and thence forwarded to the interior of Germany, where the refuse lots are baked or burnt and then ground and used as a substitute for coffee.

A. L. CROWE,
Consular Agent.

UNITED STATES CONSULAR AGENCY,
Zante, March 15, 1884.

Statement showing the annual product of currants and the exports thereof during the years 1820 to 1882.

Place of growth.	To United Kingdom.	To Canada.	To United States.	To France.	To north of Europe.	To Mediterranean ports and Trieste.	To Australia.	To Russia.	Total crop each year.
1820.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Zante	2,125					308			2,433
Cephalonia	1,928				120	125			2,173
	4,053				120	433			4,606
1821.									
Zante	1,790				184	481			2,455
Cephalonia	1,850				140	410			2,400
	3,640				324	891			4,855
1822.									
Zante	2,618				204	58			2,890
Cephalonia	2,140				147	188			2,475
	4,758				351	246			5,355
1823.									
Zante	3,520					258			3,778
Cephalonia	2,535					250			2,785
	6,055					508			6,563
1824.									
Zante	2,943				127	275			3,305
Cephalonia	1,887				225	210			2,322
	4,830				352	445			5,627
1825.									
Zante	3,023		25		108	327			3,483
Cephalonia	1,928				296	285			2,489
	4,951		25		404	592			5,972

Statement showing the annual product of currants and the exports thereof, &c.—Continued.

Place of growth.	To United Kingdom.	To Canada.	To United States.	To France.	To north of Europe.	To Mediterranean ports and Trieste.	To Australia.	To Russia.	Total crop each year.
1826.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Zante.....	1,871				753	1,065			3,689
Cephalonia.....	2,284		60		401	460			3,205
	4,155		60		1,154	1,525			6,894
1827.									
Zante.....	2,635				218	466			3,219
Cephalonia.....	3,007					167			3,174
	5,642				218	633			6,893
1828.									
Zante.....	2,708				433	185			3,326
Cephalonia.....	3,196					314			3,500
	5,894				433	499			6,826
1829.									
Zante.....	2,616		14		570	852			4,052
Cephalonia.....	2,407		29		449	558			3,443
	5,023		43		1,019	1,410			7,495
1830.									
Zante.....	3,292					155			3,447
Cephalonia.....	3,376				175	564			4,115
Morea.....	1,325				113	1,000			2,438
	7,993				288	1,719			10,000
1831.									
Zante.....	4,087				109	199			4,395
Cephalonia.....	2,209				1,851	608			4,668
Morea.....	1,223					(*)			1,223
	7,469				1,960	807			10,236
1832.									
Zante.....	4,517		34		233	180			4,934
Cephalonia.....	1,689				2,610	678			4,977
Morea.....	1,967					(*)			1,967
	8,183		34		2,843	858			11,908
1833.									
Zante.....	3,479		53		5	153			3,690
Cephalonia.....	2,848				898	795			4,541
Morea.....	2,089				144	563			2,796
	8,416		53		1,047	1,511			11,027
1834.									
Zante.....	3,070				90	90			3,250
Cephalonia.....	2,788				1,190	320			4,298
Morea.....	1,735					499			2,234
	7,588				1,280	909			9,777
1835.									
Zante.....	4,260		19		202	222			4,703
Cephalonia.....	3,251				2,466	709			6,426
Morea.....	2,966		13			536			3,515
	10,477		32		2,668	1,467			14,644
1836.									
Zante.....	3,239		107		102	107			3,555
Cephalonia.....	3,377				630	705			4,712
Morea.....	2,629		59			428			3,116
	9,245		166		732	1,340			11,383
1837.									
Zante.....	2,985				221	180			3,386
Cephalonia.....	3,336				882	400			4,618
Morea.....	3,156					154			3,310
	9,477				1,103	734			11,314
1838.									
Zante.....	1,888		38		63	10			1,999
Cephalonia.....	3,283				336	137			3,741
Morea.....	2,757				197	159			3,113
	7,928		38		596	306			8,853

* Unknown.

Statement showing the annual product of currants and the exports thereof, &c.—Continued

Place of growth.	To United Kingdom.	To Canada.	To United States.	To France.	To north of Europe.	To Mediterranean ports and Trieste.	To Australia.	To Russia.	Total crop each year.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1839.									
Zante.....	1,874		212		261	44			2,391
Cephalonia.....	3,162				1,100	223			4,484
Morea.....	3,787				51	280			4,118
	8,823		212		1,412	546			10,993
1840.									
Zante.....	3,410		73		174	69			3,725
Cephalonia.....	3,442		118		1,683	293			5,536
Ithaca.....	227								227
Morea.....	4,304					482			4,786
	11,383		190		1,857	844			14,274
1841.									
Zante.....	3,417				326	61			3,804
Cephalonia.....	4,640		270		1,500	173			6,583
Ithaca.....	213								213
Morea.....	3,801				119	788			4,708
	12,071		270		1,945	1,022			15,308
1842.									
Zante.....	4,238		58		248	92			4,636
Cephalonia.....	1,953				4,045	1,008			7,001
Ithaca.....	332								332
Morea.....	5,502				118	54			5,674
	12,025		58		4,411	1,149			17,643
1843.									
Zante.....	3,849				200	47			4,096
Cephalonia.....	4,734		101		1,594	709			7,438
Ithaca.....	219					70			289
Morea.....	5,228				271	1,143			6,641
	14,030		101		2,365	1,968			18,464
1844.									
Zante.....	3,278		132			86			3,496
Cephalonia.....	4,334				1,703	123			6,160
Ithaca.....	243								243
Morea.....	6,916		127			833			7,875
	14,771		259		1,703	1,041			17,774
1845.									
Zante.....	3,521		384		356	16			4,277
Cephalonia.....	3,816				2,121	188			6,125
Ithaca.....	212								212
Morea.....	8,020				206	525			8,751
	15,569		384		2,683	729			19,365
1846.									
Zante.....	5,170		170			9			5,349
Cephalonia.....	5,470		138		1,229	203			7,080
Ithaca.....	259								259
Morea.....	11,011				94	608			11,708
	21,910		308		1,323	814			24,355
1847.									
Zante.....	4,393		733		330	76			5,532
Cephalonia.....	4,370		148		3,678	467			8,663
Ithaca.....	20				296				316
Morea.....	11,684				1,212	1,624			14,520
	20,467		881		5,516	2,167			29,031
1848.									
Zante.....	4,240		520		115	81			4,956
Cephalonia.....	5,833		148		2,547	246			8,504
Ithaca.....	304								304
Morea.....	12,237				900	2,150			15,287
	22,644		668		3,562	2,477			29,851

Statement showing the annual product of currants and the exports thereof, &c.—Continued.

Place of growth.	To United Kingdom.	To Canada.	To United States.	To France.	To north of Europe.	To Mediterranean ports and Trieste.	To Australia.	To Russia.	Total crop each year.
1849.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Zante	4,123		650		806	29			5,608
Cephalonia	4,617				2,810	125			7,052
Ithaca	238				51	5			394
Morea	13,630				1,202	1,439			16,271
1850.	21,608		650		4,369	1,598			29,235
Zante	4,576		644		181	521			5,922
Cephalonia	5,281		546		2,021	797			8,645
Ithaca	394								394
Morea	16,625		135		292	2,444			19,496
1851.	26,876		1,325		2,494	3,762			34,457
Zante	4,307		527		785	101			5,670
Cephalonia	2,364				5,287	329			7,980
Ithaca	309								309
Morea	19,695		491		1,262	4,794			26,242
1852.	26,675		1,018		7,284	5,224			40,201
Zante	1,004		45			401			1,450
Cephalonia	2,176				173	2,233			4,582
Ithaca	163								163
Morea	6,252				307	879			7,438
1853.	9,594		45		480	3,513			13,632
Zante	260					150			413
Cephalonia	1,098				85	600			1,780
Ithaca	40								40
Morea	2,307					509			2,816
1854.	3,705				85	1,259			5,049
Zante	285					278			563
Cephalonia	2,127				576	364			2,961
Ithaca	52								52
Morea	2,555				109	416			3,073
1855.	5,019				672	1,058			6,749
Zante	313					39			352
Cephalonia	2,190				42	298			2,525
Ithaca						32			32
Morea	4,014					290			4,304
1856.	6,517				42	654			7,213
Zante	3,838		74		510	66			4,488
Cephalonia	1,518				1,601	872			3,491
Ithaca						78			78
Morea	15,653		210		778	2,209			18,850
1857.	21,009		284		2,889	2,725			26,907
Zante	690		4			313			1,007
Cephalonia	2,712		134			852			3,698
Ithaca	89		73						162
Morea	14,242		485			3,916			18,643
1858.	17,733		696			5,081			23,510
Zante	3,334				502	272			4,108
Cephalonia	2,675				2,096	154			4,825
Ithaca	178								178
Morea	21,554		785		623	1,951			24,913
	27,639		785		3,226	2,377			34,027

Statement showing the annual product of ourrants and the exports thereof, &c.—Continued.

Place of growth.	To United Kingdom.	To Canada.	To United States.	To France.	To north of Europe.	To Mediterranean ports and Trieste.	To Australia.	To Russia.	Total crop each year.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1862.									
Zante	3,931		253		261	1,336			5,531
Cephalonia	4,424		469		869	357			6,119
Ithaca	151								151
Morea	21,933		885		175	2,554			25,547
	30,439		1,607		1,305	4,297			37,648
1860.									
Zante	4,119				1,574	202			5,895
Cephalonia	4,650		217		5,208	161			8,236
Ithaca						222			222
Morea	27,164		934		1,190	7,968			37,271
	35,953		1,151		5,972	8,548			51,624
1861.									
Zante	3,453				472	57			3,982
Cephalonia	5,485				910	121			6,516
Ithaca					206				206
Morea	29,165				145	3,302			32,612
	38,103				1,733	3,480			43,316
1862.									
Zante	2,626				3,038	86			5,750
Cephalonia	5,510				1,685	88			7,433
Ithaca	204								204
Morea	31,828		410		506	3,228			35,972
	40,168		410		5,379	3,402			49,359
1863.									
Zante	3,381				2,642	133			6,356
Cephalonia	5,627				2,405	7			7,939
Ithaca					228				228
Morea	36,890		570		263	5,216			42,944
	45,798		570		5,748	5,356			57,467
1864.									
Zante	3,228		265		1,964	5			5,462
Cephalonia	6,175				1,946	57			7,578
Ithaca	126								126
Morea	33,026		3,722		805	799			38,352
	42,555		3,987		4,115	861			51,518
1865.									
Zante	3,138		167		2,209	17			5,531
Cephalonia	5,378				1,704	77			7,159
Ithaca	190					13			203
Morea	32,562		1,420		267	4,507			38,756
	41,268		1,587		4,180	4,614			51,649
1866.									
Zante	2,260				3,555	57			5,872
Cephalonia	5,967				1,888	32			7,887
Ithaca					172				172
Morea	33,242		2,655		2,406	5,661			43,964
	41,469		2,655		8,021	5,750			57,695
1867.									
Zante	2,748				3,734	16			6,498
Cephalonia	5,235				3,614	275			9,124
Ithaca	152								152
Morea	41,125		2,174		1,915	4,016			49,230
	49,260		2,174		9,263	4,307			65,004
1868.									
Zante	4,703				1,192	96			5,990
Cephalonia	2,843		34		2,993	80			5,950
Ithaca					121				121
Morea	36,137		2,697		779	4,372			43,985
	43,683		2,731		5,085	4,547			56,046

Statement showing the annual product of currants and the exports thereof, &c.—Continued.

Place of growth.	To United Kingdom.	To Canada.	To United States.	To France.	To north of Europe.	To Mediterranean ports and Trieste.	To Australia.	To Russia.	Total crop each year.
1869.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Zante	2,813		204		933				3,950
Cephalonia	3,518		320		3,060	115			7,008
Ithaca					88				88
Santa Maura	50								50
Morea	36,710		559		584	3,389			41,192
	43,086		1,083		4,665	3,454			52,288
1870.									
Zante	3,738		31		99	10			3,878
Cephalonia	8,284		106		4,522	168			8,000
Ithaca	27				82				109
Santa Maura					60				60
Morea	35,230		3,017		468	3,415			42,180
	42,209		3,154		5,281	3,583			54,177
1871.									
Zante	4,643				2,423	17		10	7,093
Cephalonia	2,887				7,344	17		44	10,292
Ithaca									
Santa Maura									446
Morea	50,679		4,100		1,399	6,686		551	63,395
	58,209		4,100		11,166	6,700		605	81,226
1872.									
Zante	3,738				945	9			5,149
Cephalonia, Ithaca, Santa Maura	3,408		18		5,938			30	9,610
Morea	47,243		3,256		264	3,794		393	55,932
	54,444		3,274		7,147	3,803		423	70,691
1873.									
Zante	2,024		58		2,823	20			4,925
Cephalonia, Ithaca, Santa Maura	963		12		7,762	19			8,756
Morea	45,017		6,366	20	419	5,445		274	57,541
	48,004		6,436	20	11,004	5,484		274	71,222
1874.									
Zante	3,454				2,061	48			5,563
Cephalonia, Ithaca, Santa Maura	2,909				6,552	52		100	9,673
Morea	47,796	430	7,294	3	919	3,872		680	60,974
	54,219	430	7,294	3	9,532	3,972		760	76,210
1875.									
Zante	3,012		1,120		419	52		5	4,608
Cephalonia, Ithaca, Santa Maura	1,667				6,553	21			8,241
Morea	42,060	631	7,737		4,522	2,894		2,223	60,067
	46,739	631	8,857		11,404	2,967		2,223	72,916
1876.									
Zante	4,061				1,974	25			6,060
Cephalonia, Ithaca, Santa Maura	2,173		371		7,037	16			9,597
Morea	58,426	906	6,982	82	498	3,742		659	71,290
	64,660	906	7,353	82	9,504	3,783		659	86,947
1877.									
Zante	4,886				1,689	15			6,590
Cephalonia, Ithaca, Santa Maura	3,848				5,979	38		210	10,066
Morea	55,444	459	5,912	881		2,829			65,525
	64,178	459	5,912	881	7,659	2,882		210	82,181
1878.									
Zante	2,104				4,087				6,191
Cephalonia, Ithaca, Santa Maura	595				10,090	38		182	10,095
Morea	57,148	874	8,695	9,086	1,807	4,470		828	82,908
	59,847	874	8,695	9,086	15,984	4,508		1,010	100,004

* For orders: Zante, 402 tons; Santa Maura, 216 tons; Morea, 982 tons; total, 1,600 tons.

Statement showing the annual product of currants and the export thereof, &c.—Continued.

Place of growth.	To United Kingdom.	To Canada.	To United States.	To France.	To north of Europe.	To Mediterranean ports and Trieste.	To Australia.	To Russia.	Total crop each year.
1879.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Zante	2,508	.....	.....	776	1,568	.....	.....	.....	4,882
Cephalonia, Ithaca, Santa Maura	1,294	.....	689	1,901	4,301	8	.....	.....	8,193
Morea	52,758	277	7,478	16,410	622	1,501	.....	195	79,236
	56,560	277	8,162	19,087	6,521	1,509	.....	195	92,311
1880.									
Zante	2,289	.....	.....	378	2,249	32	.....	2	4,950
Cephalonia, Ithaca, Santa Maura	1,218	.....	290	987	4,607	2	.....	.....	7,104
Morea	47,044	1,351	7,775	19,634	1,554	2,206	.....	719	80,288
	50,551	1,351	8,065	20,969	8,410	2,240	.....	721	92,337
1881.									
Zante	3,623	.....	388	1,083	2,743	21	.....	7	7,864
Cephalonia, Ithaca, Santa Maura	1,846	.....	523	826	5,639	9	.....	3	8,846
Morea	56,597	1,447	11,760	28,406	2,780	2,818	555	920	105,284
	62,066	1,447	12,671	30,315	11,162	2,848	555	930	121,904
1882.									
Zante	4,583	.....	.....	567	1,366	26	.....	.....	6,492
Cephalonia, Ithaca, Santa Maura	2,604	.....	.....	2,019	4,828	4	.....	.....	9,465
Morea	51,713	1,427	11,906	23,096	1,574	2,481	564	25	68,446
	58,850	1,427	11,906	26,282	7,778	2,511	564	25	109,403

Table showing maximum and minimum temperature in the shade during the summers of 1882 and 1883.

Months.	Fahrenheit readings taken in town.			Remarks.
	Maximum.	Minimum.	Mean average.	
1882.	°	°	°	
May	83	65	74	Slight rains.
June	86	69	77.5	Cool winds.
July	88	66	77	Fine, dry.
August	90	74	82	Do.
September	89	67	78	Showery.
October	84	62	78	Dry.
1883.				
May	80	59	69.5	Slight rains.
June	87	63	75	Fine.
July	88	62	75	Do.
August	81	70	80.5	Do.
September	86	63	74.5	One day rain.
October	87	60	73.5	Slight at beginning, heavy rain at end.

NOTE.—Average rainfall gradually declining since 1878.

FRUIT CULTURE IN CEPHALONIA.*REPORT BY CONSUL LUCATA.***RAISINS.**

What is the relative position of vineyards—valley, table, or hillside lands; inland or on the sea-coast?—Grapevines are grown on the hillside and table-lands principally; the currant vines in the valleys and table-lands.

How near to the sea-coast are the nearest raisin vineyards?—On the sea-coast itself.

On the coast are the sea fogs and mist injurious to grapes and apt to cause mildew; if so, what means are used to counteract the same?—Sea-fogs and mist are not frequent, and when they occur are not always injurious. No means are here used to counteract them.

What is the custom of pruning in the best-conducted vineyards?—The ordinary pruning, as in the Morea, is conducted throughout the island.

What are the character of soil where best results are obtained?—Loam and other rich soil for currants. For grapes, the poorer the soil the better it is for them in this island.

Are best results obtained on hillside, valley, or table land?—For currants, valley and table land give the best results. For grapes (Cephalonia) hillside lands and gravelly soil.

Are the lands planted to vines cultivated; if so, how many times per year?—The lands are cultivated thrice a year; that is, about January, April, and October.

At what age do the vines come into full bearing, and how long do they remain fruitful?—From six to seven years, and remain fruitful twenty-five to a hundred years. There are vines here more than two hundred years old.

Is there any system of artificial irrigation in practice for raisin culture?—There is no artificial system of irrigation here.

What is the yield, value, and cost of crop per acre per annum?—The average yield per acre is 500 pounds, though there is property that yields over 2,000 pounds. The average value would be \$25 per mil. The cost of crop (per acre) varies so much in the different parts of the island that it is difficult to ascertain the average. Besides this, there are seasons when labor is dearer than at others, for instance, when the tilling, &c., have been behind time, and hands are wanting throughout the island at the same time. The average value of wine would be 25 cents per gallon in United States currency. But besides the wine there are the grape husks and refuse which are bought for spirit-making, and the less from which argol is extracted. The latter, I am informed, is sold at about 150 francs per 1,000 pounds.

S. A. R. LUCATA,
Consular Agent.

UNITED STATES CONSULAR AGENCY,
Cephalonia, March, 1884.

THE SILK CROP OF 1884.

TWO REPORTS BY CONSUL PEIXOTTO, OF LYONS.

FIRST REPORT.

ESTIMATE CROP.

France and Italy.—The silk harvest in France and Italy is about completed; a few sections alone remain to be recolcted.

The result as far as known is a reduction of one-fourth in the production for France, and between one-fourth and one-third in that for Italy.

The deficiency in this country has been owing to two causes: (1) To the reduced quantity of seed put to incubation; (2) to the unfavorable weather during the latter period of development.

In Italy the falling off is attributed solely to the latter cause. The Italian harvest of last year gave 3,200,000 kilograms of grège silk, while that of France yielded but 611,000 kilograms. There is a possibility of later returns giving a better result for this season.

It is generally conceded that the crop in both countries, though considerably reduced in quantity, will be equal in quality to their precedents.

The prices of cocoons in the Cévennes have ranged from 4 to 4.15 francs; in the Rhone Valley from 3.75 to 3.90 francs the kilogram. Italian yellows, first choice, 4 to 4.40; in general 3.80 to 4 francs. Greens have ranged from 3.20 to 3.50 francs per kilogram.

Spain.—The crop is deficient, but is expected to yield 75,000 kilograms of grège.

The Levant.—The temperature has been generally favorable and the harvest is turning out good. In Syria the yellow seed of France have given the best results. The total production of this crop last year amounted to 600,000 kilograms; it will be surpassed this season.

China.—The export crop will reach 60,000 bales. Shanghai exported last year 2,491,000 kilograms, and Canton 1,156,000 kilograms. These figures will be very largely exceeded this year.

Japan.—A fine crop is reported, and the export will surpass 30,000 bales. Japan exported last year from Yokohama 1,612,000 kilograms.

India.—Calcutta exported last season 536,000 kilograms; the crop this year is estimated as being considerably superior.

MARKET PRICES OF SILK.

No sensible change has taken place in the prices of grège silks upon this or any of the European markets. Manufacturers, in spite of the reported deficiencies in the Italian and French crops and of the greatly reduced state of stocks in harvest, and still being in limited quantities, continue incredulous as to a rise.

BENJAMIN F. PEIXOTTO,
Consul.

UNITED STATES CONSULATE,
Lyons, June 25, 1884.

SECOND REPORT.

THE FRENCH CROP.

The silk crop in France for the present year is now gathered, and, according to the most reliable accounts, will fall short about 25 per cent. compared with that of last year.

As the harvest of last year gave but 611,000 kilograms of silk; the present will scarcely yield more than 460,000 kilograms of grège silk, which will thus prove inferior to any of its predecessors for the past six years, except that of 1879, when the total crop reached only 375,000 kilograms.

This year's cocoons present as a whole only an average quality. I will specify the results and prices of cocoons in the principal French departments, those where silk is raised in largest quantities; for example:

Department of the Drôme.—The crop is mediocre; cocoons bring from 3.60 to 4 francs the kilogram.

Department of the Ardèche.—Result inferior to last year, but the production has been quite important; prices of cocoons range from 3.60 to 4 francs.

Department of the Var.—Crop decreased in importance and of average quality. Cocoons unselected bring only 3 to 3.50 francs per kilogram.

Vaucluse.—The crop in this department appears to diminish yearly, and is again behind this season, with only medium quality; prices of cocoons vary between 3.40, 3.60, and 3.75 francs per kilogram.

Cévennes, where the finest crops have generally been recoiled, is about equivalent to last season's, and shows good quality; prices, 3.80 to 4.10 francs per kilogram.

Isère.—Crop of little importance, and less than last year; prices of cocoons, 3.60 to 3.90 per kilogram.

The results above shown, both as to production and price, will prove still more discouraging than ever to French sericulturists, who year by year have been losing hope in this once-famous industry.

The continued low price of grège silk offers little encouragement to raisers, and the tendency is towards still more decreased production.

THE ITALIAN SILK CROP.

The Italian crop is now in, and is found to be inferior by from 15 to 18 per cent. compared with that of 1883 as to quantity, while the quality is reported lacking in general as compared with that of its predecessor. Prices of cocoons vary but little from those of the past season; in some sections for superior qualities there is found a slight augmentation.

The crop in 1883 reached 3,200,000 kilograms. It is questionable whether it will exceed 2,700,000 kilograms for this season.

THE SILK CROP IN SPAIN.

In Spain the recolte is reported 10 to 15 per cent. less than for 1883, when the output reached 95,000 kilograms. The average prices of

cocoons have been in the Murcie district 3.80 to 4 francs the kilogram, and at Valence 3.90 to 4.20, according to choice.

THE SILK CROP OF THE LEVANT.

The crop in the Levant countries, especially in the Broussa district and in Syria, have been, in general, excellent, and in production considerably superior to last year.

Silk-culture in these countries is developing successfully; each season witnesses an increased production. The crop of 1883 exceeded 600,000 kilograms. In 1879 the output was only 345,000. This year it will reach upwards of 700,000 kilograms, and may exceed this figure. The quality of cocoons, and, as a consequence, of the silk produced, is remarkably good, and grows in favor.

THE TOTAL CROP OF EUROPE.

The European crop of 1883 reached a yield of 4,686,000 kilograms. The falling off for the present year will probably exceed 700,000 kilograms.

CENTRAL ASIA.

Georgia and Persia, including the silk consumed in the country and exported, produced 250,000 kilograms in 1883. The news is contradictory concerning this year's crop, but the result is calculated as being equal to the past season.

EXTREME ORIENT.

The following was the production of silk in the countries of the far East in 1883, to wit:

	Kilograms.
China:	
Exports from Shanghai.....	2,491,000
Canton	1,156,000
Japan, exports from Yokohama	1,612,000
India, exports from Calcutta	536,000
Total	5,795,000

The crops of this season are reported as exceeding those of last year. It is estimated that China will have for export from 55,000 to 60,000 bales, and Japan upward of 30,000 bales.

My estimate, considering all the reports which have reached Lyons from the most authentic sources, places the grège silk crop of the world for 1884 at 10,000,000 kilograms, or but 7 per cent. less than the harvest of 1883.

BENJAMIN F. PEIXOTTO,
Consul.

UNITED STATES CONSULATE,
Lyons, July 3, 1884.

IMPORTS AND EXPORTS OF TRIESTE.*

REPORT BY ACTING CONSUL VISICH.

I have the honor to forward herewith to the Department tables of imports and exports by sea, at Trieste, for the years 1882 and 1883.

The chamber of commerce gives only the countries whence the goods are received and whither exported, without specific quantities or class of goods.

FERDINAND VISICH,
Acting Consul.

UNITED STATES CONSULATE,
Trieste, May 23, 1884.

Imports by sea at the port of Trieste.

Whence imported.	1883.	1882.
Austria-Hungary	\$3, 379, 110 80	\$4, 046, 864 40
Belgium	230, 911 20	405, 946 40
British Provinces	95, 453 80	112, 519 20
Brazil	6, 504, 643 60	2, 573, 418 80
Buenos Ayres .....	.....	6, 418 00
Bulgaria	28, 704 80	62, 446 80
China	677, 212 40	261, 447 20
Egypt	4, 568, 655 20	4, 042, 314 40
France	2, 445, 862 40	1, 915, 804 80
Greece	3, 292, 441 20	2, 043, 180 40
Great Britain	10, 091, 749 60	7, 179, 674 40
Holland	71, 037 20	.....
Italy	10, 255, 539 60	9, 423, 322 80
India, Oriental	18, 535, 259 20	18, 388, 300 00
Montenegro	37, 252 80	21, 279 60
Malta	6, 265 60	45, 765 20
Oriental Cush of Africa	29, 664 00	.....
Portugal	256, 367 20	1, 529 20
Peru	135, 080 00	16, 736 00
Russia	2, 221, 225 60	2, 902, 516 00
Roumania	514, 196 80	670, 905 00
Spain	171 20	.....
Sweden and Norway	195, 556 80	234, 302 40
Turkey	7, 822, 676 40	7, 114, 786 00
Tunis	54, 984 00	21, 024 80
Tripoli	674 00	236 00
United States of America	2, 201, 070 80	3, 539, 838 40
Venezuela .....	.....	79, 200 00
Total	74, 141, 766 00	65, 111, 477 40

Exports by sea at the port of Trieste, according to the countries whither exported.

Whither exported.	1883.	1882.
Austria-Hungary	\$10, 710, 598 80	\$10, 544, 133 80
Belgium	40, 628 80	.....
Brazil	430, 831 60	340, 702 00
Buenos Ayres	259 60	8, 567 20
Bulgaria	418, 083 20	331, 591 20
China	888, 374 40	383, 022 80
Egypt	3, 776, 805 80	4, 500, 904 00

* Trieste, being a free port, it has heretofore been found impracticable for the consul to give the values of the imports and the exports, the articles and weights alone being obtainable. These tables are, therefore, interesting as showing the value of the trade of the port.

Exports by sea at the port of Trieste, &c.—Continued.

Whither exported.	1883.	1882.
France.....	\$2,089,261 00	\$2,481,013 00
Greece.....	5,107,018 40	4,856,011 00
Great Britain.....	3,829,982 08	3,959,542 80
Holland.....	58,146 40	.....
Italy.....	10,972,882 40	11,008,452 40
India, Oriental.....	2,340,912 00	3,683,178 00
Montenegro.....	72,156 00	69,826 80
Morocco.....	924 40	319 00
Malta.....	179,223 00	177,586 80
Portugal.....	510 80	209,980 40
Russia.....	79,836 40	658,280 80
Roumania.....	568,535 60	496,175 00
Spain.....	245,919 00	227,246 40
Turkey.....	14,926,124 00	14,134,988 40
Tunis.....	247,362 40	161,676 00
Tripoli.....	79,908 40	90,164 00
United States of America.....	1,501,028 20	749,079 00
Uruguay.....	40 00	200 00
Australia.....	12,278 00	12,878 40
Total.....	74,141,706 00	65,111,477 90

CROPS IN ASIA MINOR.*REPORT BY CONSUL STEVENS.*

I have the honor to report that the condition of the crops within this consular district is now excellent. If the present favorable weather continues a few weeks longer the yield will be unusually large and of superior quality.

The olive trees are in fuller bearing than for a number of years, and the quality of the fruit promises to be above the average.

The fig trees promise to be equally productive, and an unusually large yield is predicted. Inasmuch, however, as dry, sunny weather is indispensable to the proper ripening and harvesting of this fruit, it is yet too soon to merge prediction in reality. A heavy rain-storm or a succession of strong, damp winds might entirely reverse the present prospect.

A good crop of cereals is now well assured. The yield of last year, which was large, will be more than duplicated.

Reports concerning opium are conflicting. It is difficult always to get trustworthy information about this uncertain product, but I believe the amount raised will equal that of last year.

The raisin product will be large and of good quality, unless unfavorable weather sets in almost immediately. The same may be said of all other kinds of fruit.

Altogether the crop outlook is favorable, and as this in turn stimulates trade, the business outlook for Smyrna would, but for the presence of cholera in Europe, be equally promising. Now, however, under the depressing influence of the cholera reports from France and Italy, and the establishment by the Turkish authorities of strict quarantine regulations against all of continental Europe, business has come almost to a stand-still. Should there be an outbreak of the scourge in any part of Turkey, a panic would at once follow, and very little or no business would be done in Smyrna until it had spent its force.

W. E. STEVENS,

Consul.

UNITED STATES CONSULATE,
Smyrna, July 14, 1884.

TRADE AND COMMERCE OF REVAL.

REPORT BY CONSULAR AGENT GLEHN.

I herewith have the honor to transmit my annual report for the year ending December 31, 1883, which year was unfavorable to agriculture on account of climatic influences, caused by prolonged cold weather in the spring and continued rains during the summer. Commerce has naturally also suffered in consequence, and in every branch of trade in my consular district this has been felt more or less; the past year must therefore be considered an unfavorable one.

Wheat is not grown to a great extent in this province, and the crop of this breadstuff, which was only a middling one, does not influence export trade. Of rye there was an average crop but of very poor quality. Barley, on the other hand, was of very good quality and plentiful, and export trade has benefited by it as well as distilleries at advantageous prices. Oats also were of good quality, and on the whole abundant at prices from 4.50 to 5 rubles per tchetvert. Potatoes, however, which are indispensable to our distilleries and form the principal food of the lower classes, have yielded a very insufficient crop, as it is estimated at only half of the preceding year, and the quality also was very inferior, containing starch of not sufficient strength for distilling purposes, and therefore caused great losses to distilleries.

As these take such a prominent place in our local industry, the success with which they meet naturally reacts on the general welfare. The crops in the interior of Russia having been on the whole abundant, the distilleries here had to compete with Russian distilleries at a great disadvantage, and in order to meet this a forced export of 474,280 wedros of rectified and raw spirits during the winter months to Germany was effected, thus keeping up the price at 75 copecks per wedro.

The total transactions of trade have been about the same as the preceding year, the figures showing a slight decrease, which must be accounted for by the competition of the port of Libau, now favored by the war of railway tariffs which is carried on between the more southern railways and our Baltic Railway.

The total amount of imports is as follows: In 1883, 82,502,482 rubles, against 86,137,402 rubles in 1882; decrease, 3,634,920 rubles.

The greatest part of these goods is for the interior of Russia and its capitals. The duty, paid in gold, on all import goods amounts to 5,240,999 rubles in 1883 against 5,765,825 rubles in 1882; decrease, 524,826 rubles.

The principal articles were—

	Rubles.
Cotton, wool, and shoddy, &c	61,255,710
Manufactured goods	9,352,175
Wines, fruits, and other eatables, &c	11,882,521
Living animals	12,070
Total	82,502,482

The total amount of exports was 17,717,926 in 1883, against 17,449,212 rubles in 1882; increase, 268,713 rubles.

The principal articles were—

	tchetverts.	
Oats	996,416	
Wheat	286,630	
Rye	238,196	
Barley	46,188	
Flax	343,172	poods..

The largest portion of this went to England, representing a value of 6,189,305 rubles. Next to England comes Holland, for a value of 5,347,660 rubles. The rest went to Germany, Denmark, and France. There was no export to the United States from this port.

From the United States was imported:

Maize:	Foodst.
In ships direct from the United States.....	377, 101
In ships via Great Britain.....	22, 072
Total	<u>399, 163</u>
Cotton:	
In ships direct from the United States	2, 663, 819
In ships via Great Britain, Germany, Denmark, Holland.....	1, 189, 736
Total	<u>3, 853, 555</u>
Peach, for brewing purposes.....	<u>24, 901</u>
Logwood extract.....	<u>26, 470</u>

The navigation was opened on 16th (28th) April, and has not since been interrupted. There arrived in all 757 ships representing 370,126 tons register; departed, 749 ships, representing 361,761 tons register.

There arrived from the United States under American flag 2 sailing vessels of a burden of 1,898 tons register, and 81 vessels of other nationalities (of which 19 were steamers and 62 sailing vessels) of a burden of 63,849 tons register; 78 contained cargoes of cotton; 4 of maize; 1 of drugs; 4 sailing vessels, of a burden of 4,243 tons register, left this port for the United States, all in ballast.

The above figures again prove the lamentable fact that American ships cannot compete with other nationalities, as the American flag gradually disappears entirely in our port.

Since the opening of the Baltic Railway, in 1870, the trade of Reval has become of such importance that our port proved of insufficient size, and it was decided to enlarge it by 5 docks, of which one was completed in the course of 1883. It covers a surface of 260 square fathoms (1 fathom = 7 English feet). Its depth at the water is 23 English feet, and a space of 5,000 fathoms has been paved for the loading and discharging of vessels.

LIGHT-HOUSES ON THE COASTS OF THE BALTIC.

According to the opinion of captains, the coasts of the Gulf of Finland are well lit up. The administration of the Baltic light-houses is situated at Reval; its chief, Rear-Admiral Bajenoff, has erected during the last years several light-houses of much importance on the coast of Kurland and Livonia, as also a fog-signal of great power, and worked by steam, on the point of Domesness. In Estonia he has directed his special attention to diminish the dangers of the under-sea rocks of Neckman's Ground (west of the island of Dago), just on the passage of vessels to the Gulf of Finland. These dangers have now been almost paralyzed by two light-houses, one at Ristna, on the Isle of Dago, with a revolving red light, and the other at the Cape of Tokana; the latter a first-class light-house. On the successive appearance of these lights to the navigator he is sure to avoid the rocks of Neckman's Ground, and disasters have now greatly diminished in frequency.

The light-house at Odinsholm, which appears next to Tokana, has

been raised and the light intensified. Next autumn an electric light of first class will be placed on the coast of Kurland at Pissen, near Sakenhausen, between Domesness and Libau.

E. VON GLEHN,
Consular Agent.

UNITED STATES CONSULAR AGENCY,
Reval, May 25, 1884.

COMMERCE OF AUSTRIA-HUNGARY.

REPORT BY CONSUL-GENERAL WEAVER, OF VIENNA.

The commercial movement of this Empire during the first quarter of the present year has recently been made public, from which I collate the following items as possessing sufficient interest to warrant transmission.

The value of all exports for the period specified aggregated the sum of 151,900,000 florins,* against 179,400,000 for the first quarter of 1883, being a decrease of 27,500,000 florins, or 14.2 per cent. This diminution resulted mainly from decreased exports of grain, sugar, and other articles of consumption, occasioned by short crops and unfavorable foreign markets. On the other hand, however, the imports increased from 150,600,000 florins in the first quarter of 1883 to 163,700,000 in 1884, being an increase of 13,100,000 florins, or 8.7 per cent. As the balance of trade in the first quarter of 1883 was 28,800,000 florins in favor of Austria-Hungary, and as for the first quarter of 1884 the balance was against her to the amount of 11,800,000, it will be seen that a change of 40,800,000 florins has transpired.

The following table presents the changes in the values of the imports and exports during the first quarters of the last six years:

Years.	Imports.	Exports.	Totals.	Balance.
	<i>Florins.</i>	<i>Florins.</i>	<i>Florins.</i>	<i>Florins.</i>
1879	122,200,000	158,900,000	281,100,000	+36,700,000
1880	138,800,000	144,900,000	283,700,000	+6,100,000
1881	147,600,000	166,000,000	313,600,000	+18,400,000
1882	182,400,000	167,300,000	349,700,000	-15,100,000
1883	150,600,000	179,400,000	330,000,000	+28,800,000
1884	163,700,000	151,900,000	315,600,000	-11,800,000
Totals	905,300,000	968,400,000	1,873,700	+63,100,000
Averages	150,900,000	161,400,000	312,300,000	+10,500,000

The duties collected during the first quarter of 1884 amounted to 12,053,969 florins against 11,916,748 florins during like period of 1883, being an increase of 137,221 florins, or 1.1 per cent. The currency in which these duties were paid shows a decrease of 1,306,545 florins in gold against an increase of 1,443,776 florins in silver, to the end that while the volume of the latter augments that of the former decreases. The average premium on gold during the quarter was 20½ per cent.

The export premiums paid, being excise duties refunded on sugar, beer, and brandy during the quarter, was 6,397,015 florins against

* The average value of the Austrian paper florin for the quarter ending March 31, 1883, was 40.65 cents, and for the quarter ending March 31, 1884, 40.17 cents.

9,596,617 florins in same quarter of 1883, being a decrease of not less than 33 per cent., and on sugar alone 2,729,287 florins. The amount for 1884 was less than for any year since 1880, the diminution resulting from the sharp competition of German sugar-producers, which, it is affirmed, is producing nothing short of dismay upon the Austrian sugar markets.

The following table gives the chief articles of export, showing the most important changes during the first quarter of 1884 when compared with same period of 1883:

[In metrical centners, 220.46 pounds avoirdupois.]

Articles.	First quarter, 1884.	First quarter, 1883.	Difference.
Grain	1,150,688	2,442,930	-1,283,242
Flour	244,361	518,448	-174,087
Rapes	9,352	70,334	-60,982
Sugar	548,234	832,281	-280,047
Eggs	56,895	84,844	-27,949
Alcohol	43,083	89,349	-46,266
Wine	106,744	121,897	-15,153
Staves	254,204	344,634	-90,430
Railway sleepers	180,639	178,487	+2,152
Wool	11,952	17,962	-6,010
Tiles	28,646	61,677	-33,031
Machinery	19,402	34,046	-14,644
Porcelain	9,816	6,737	+3,079
Glassware	60,783	49,568	+11,215
Paper	71,110	63,965	+7,145
Linen yarn	30,837	24,249	+6,588
Beer	68,296	61,787	+6,509
Mineral water	28,271	14,778	+13,493
Zinc ore	41,802	7,181	+34,621
Tar	11,025	6,409	+4,616
Ozokerite	7,870	1,927	+5,943
Quicksilver	2,110	660	+1,450

The following table gives the chief articles of import, showing the most important changes during the first quarter of 1884 when compared with same period of 1883:

[In metrical centners, 220.46 pounds avoirdupois.]

Articles.	First quarter, 1884.	First quarter, 1883.	Difference.
Iron ore	84,134	16,911	+67,223
Lime	85,886	21,186	+64,700
Cement	81,719	17,103	+64,616
Animal tallow	11,601	3,458	+8,143
Cocoon and palm oil	22,205	15,439	+6,766
Linseed oil	20,696	14,607	+6,089
Mineral oil, crude	178,838	32,791	+146,047
Flax	161,767	139,780	+21,987
Hemp	12,621	9,906	+2,715
Jute	85,872	28,488	+57,384
Lead, raw	4,765	1,599	+3,166
Zinc, raw	80,120	19,836	+60,284
Sulphur	27,783	12,787	+14,996
Sulphuric acid	18,472	7,713	+10,759
Soda, calcined	26,824	20,422	+6,402
Borax, refined	1,950	1,005	+945
Artificial fertilizers	16,261	8,016	+8,245
Amber	837	117	+720
Rosin and turpentine	45,896	32,182	+13,714
Dyewoods	14,855	22,247	-7,392
Mineral oil, refined	208,036	229,606	-21,570
Cotton	269,100	253,859	+15,241
Pig iron	198,634	207,562	-8,928
Bloom iron	100	6,015	-5,915
Starch	1,016	1,898	-882

The foregoing articles are mostly raw materials, imported for manufacturing purposes, and pay little or no entry duties. The importation of manufactured articles paying entry duties and manifesting any noteworthy increase was very limited, comprising mostly beer, woolen and linen yarns, cotton and woolen textiles, sole-leather scraps, plate-glass, wrought iron, engine-boilers, silver watches, fans, and articles embossed in wax. The importation of grain, mostly rye, corn, and oats, increased 290,459 metrical centners against a decreased exportation of 1,283,242 metrical centners, although by the tariff entering into operation June 1, 1882, an entry duty of 50 kreuzers was levied on wheat and 25 kreuzers on rye, oats, corn, and barley per metrical centner. It would appear, therefore, that a protective tariff does not meet the sanguine expectations of some of its friends in this country; for although had the tariff on grain not been established doubtless somewhat larger quantities would have been imported, yet the prevention of importation did not and cannot materially increase the exports of the surplus grain production of Hungary. The protective policy *for a nation dependent on foreign markets* must ever prove fruitless.

JAMES RILEY WEAVER,
Consul-General.

UNITED STATES CONSULATE GENERAL,
Vienna, Austria.

AGRICULTURE IN TUSCANY AND SARDINIA.

REPORT BY CONSUL WELSH, OF NAPLES.

The information derived from divers sources of the crops harvested in 1883 shows a yield above the average, with the exception of olives, chestnuts, and vegetables.

For this year crops promise well, although rather too much rain has fallen. I have, however, no doubt that the yield will be a bountiful one throughout Tuscany.

Silk-worm eggs, owing to the inclemency of the weather, have suffered, and the market comes too late in the season, and is very limited.

In Sardinia cocoons gave a very satisfactory result, and in quantity larger than usual.

PHYLLOXERA IN SARDINIA.

At Sorso, Usini, and San Giorgio, in the province of Sassari, the phylloxera attacked over 200 hectares (494 acres) of vineyards. Under the circumstances the committee and subcommittee appointed *ad hoc* by the ministry of agriculture, industry, and commerce have decided to destroy the insect by sprinkling the vines more abundantly and frequently with the concoction of sulphur, the only efficacious agent now known, increasing the injections from three to four, using 300 grams of sulphur instead of 160 grams per square meter (1,550 square inches).

To substitute the nursery of Monteiristo, which has proved unsuccessful, the minister of agriculture, industry, and commerce has ordered the institution of thirty nurseries, in small proportions, of American vines throughout Italy.

OLIVE OIL.

The crop for the year 1883 is calculated at 1,361,165 hectoliters (35,961,979.30 gallons), or about 41 per cent. below the average yield. The crop of olives was very scarce all over Italy, and in the province of Cagliari failed entirely. This has naturally caused a rise in the prices of from 1.50 to 2.25 lire per kilogram.

TUSCAN WINES.

I regret that, owing to the absence of statistics, I can only say that the wine crop of Tuscany for the year 1883 was a very fine one, both as regards quantity and quality. The minister of agriculture has not yet issued his report, and such report must be in hand before reliable information can be given. The crop for the present year does not promise well.

WM. L. WELSH,
Consul.

UNITED STATES CONSULATE,
Naples, July 5, 1884.

STATISTICS OF FLORENCE.

REPORT BY CONSUL WELSH.

FLORENTINE MUNICIPAL TAXES.

In addition to other taxes, the Florence municipal council has lately put into force what is called "*tassa di famiglia*" (family tax), which is authorized by an act passed February 15, 1876, and by which all foreigners residing in apartments or houses furnished by themselves are taxed. The following table will show the character of this tax.

I am glad to say that the finances of the city of Florence are gradually righting themselves from the state of prostration they were in after the removal of the court to Rome.

The tax on real estate (houses) has been reduced 5 per cent., and further reductions will follow. There is, however, a tendency to overtax foreigners, which tendency has at times given me some trouble.

Family tax.

Class.	Income.	Tax.	Class.	Income.	Tax.	Class.	Income.	Tax.
	<i>Lira.</i>	<i>Lira.</i>		<i>Lira.</i>	<i>Lira.</i>		<i>Lira.</i>	<i>Lira.</i>
1.....	100,000	1,980.00	16.....	12,900	217.80	31.....	2,700	20.79
2.....	90,000	1,782.00	17.....	11,000	187.55	32.....	2,600	20.02
3.....	80,000	1,584.00	18.....	10,000	170.50	33.....	2,500	17.87
4.....	70,000	1,386.00	19.....	9,000	153.45	34.....	2,400	17.16
5.....	60,000	1,188.00	20.....	8,000	136.40	35.....	2,300	16.44
6.....	50,000	990.00	21.....	7,000	111.65	36.....	2,200	15.73
7.....	45,000	891.00	22.....	6,000	89.10	37.....	2,100	15.01
8.....	40,000	792.00	23.....	5,500	75.62	38.....	2,000	13.20
9.....	35,000	693.00	24.....	5,000	68.75	39.....	1,800	10.89
10.....	30,000	594.00	25.....	4,500	51.97	40.....	1,600	8.80
11.....	25,000	495.00	26.....	4,000	35.20	41.....	1,400	7.10
12.....	20,000	396.00	27.....	3,500	26.95	42.....	1,200	5.00
13.....	15,000	297.00	28.....	3,000	23.10	43.....	1,000	3.85
14.....	14,000	254.10	29.....	2,900	22.38	44.....	900	3.30
15.....	13,000	235.95	30.....	2,800	21.56			

IMPORTS.

The same remarks as to the lack of statistics, usually published by the chambers of commerce, with regard to importations from foreign countries, are to be made, owing to the fact that most of the goods imported are cleared at Genoa or Leghorn.

From the octroi duties levied at the Florence gates I derive, however, that during the year 1883 there were entered in this city 8,915.89

quintals of petroleum, which, at a duty of 6 lire a quintal, give the amount of 53,495.36 lire, and which was entirely of American production. There were also some 200 quintals consumed by the railway companies here and not liable to consumption duty.

GROWTH OF FLORENCE.

The number of building and repairing permits issued by the municipality shows that the city of Florence is slowly but gradually increasing in capacity. There were delivered in 1880 31 permits for new buildings; in 1881, 34 permits; in 1882, 41 permits; in 1883, 48 permits.

For the enlargement of buildings there were issued in 1880 76 permits; in 1881, 142 permits; in 1882, 167 permits; in 1883, 190 permits.

The houses are fairly well taken up, and I should judge the number of Americans renting to be on the increase.

TRAMWAYS.

On the 8th June, 1884, the tramways of Florence were added to by the opening of a line from the Porta San Gallo to San Domenico di Fiesole. This line will be extended all the way to Fiesole, thus connecting the ancient with the modern Florence, and it is to be hoped will be open entirely to traffic some time during the present year.

TELEGRAPHS.

The following will show the telegraphic movement over the wires from and to Florence: Forwarded from Florence 146,535 telegrams; received in Florence 208,622 telegrams. Of these 461 were sent to the United States, while 256 were received from the United States.

The increase over the previous year amounts to 3,800 telegrams sent and 3,712 telegrams received; and as regarding the United States there is to be noted an increase of 107 cablegrams sent and a decrease of 152 cablegrams received.

OPENING OF A NEW GALLERY OF TAPESTRIES.

On the 27th of January of this year a new gallery of tapestries (gobelins) was opened in the Archæological Museum in the Palazzo della Crocetta. The collection is a very fine one, and worthy of the visit and attention of all Americans or others visiting Florence.

HOSPITAL FOR INFANTS.

In addition to the hospitals already established at Florence, I have the honor to report that on the 14th of June, 1884, the foundation stone was laid of a hospital for infants, which is to occupy 10,000 square meters, outside the Porta St. Gallo, one of the healthiest situations near the city. This charity will be due to the liberality of Commendatore Giovanni Meyer, a German subject, who has resided for many years in Florence and became of late a naturalized Italian citizen.

FIRES.

The information derived from the fire department in Florence gives the number of fires in the year 1883 as having been 93, of which 44 were not alarming. To extinguish these fires 99 hours were employed, without having to deplore any accident.

GARRISON.

The garrison of Florence has been increased by one regiment of engineers, for which special quarters were prepared. The said regiment has now established a telegraphic wire, placing their quarters in communication with the fortress and the headquarters of the Florence military division.

CREMATION.

The municipal council of Florence, in its spring session, May 9, 1884, at the request of a committee for cremation, which numbered 105 members, has allowed 200 square meters to be occupied in the Trespiano Cemetery for the purpose of cremation. The Florentines seem to look upon this method of disposing of their mortal remains with favor.

In conclusion, I beg to state that every precaution has been taken by the authorities against the introduction of cholera. Up to the present writing it would be difficult to find a place more healthy than the district of Florence.

UNITED STATES CONSULATE,
Florence, Italy.

WM. L. WELSH,
United States Consul.

Octroi duties levied and collected in 1883.

Category.	Description.	Duty levied.		Total.
		Inside the gates.	Outside the gates.	
		<i>Lira.</i>	<i>Lira.</i>	<i>Lira.</i>
I	Meats on hoof and butchered	1,243,618.84	91,324.99	1,334,941.83
	Cereals, flour, paste, &c.	688,488.12	41,251.52	729,739.64
	Provisions, fresh and other	889,425.85	10,025.59	899,451.44
II	Wine, beer, vinegar, &c.	2,591,408.41	29,347.44	2,620,755.85
	Liquors	95,078.89	7,438.58	102,517.47
III	Groceries, &c.	187,905.71	6,363.72	194,269.43
IV	Forage	141,017.63	.....	141,017.63
V	Wood, coal, oil, &c.	485,206.23	7,785.99	492,992.22
VI	Materials for building.	64,812.63	.....	64,812.63
VII	Timber, metals, &c.	52,178.98	.....	52,178.98
VIII	Sundries	10,347.57	.....	10,347.57
	Total lire	6,449,566.86	193,487.88	6,643,054.69
	Amount of the previous year	6,079,287.44	176,548.95	6,255,836.39
	Increase	370,279.42	16,938.88	387,218.30

Statement showing the immigration, emigration, births, deaths, and marriages.

Items.	1883.	1882.	Increase.	Decrease.
Inhabitants	168,157	166,972	1,185	.....
Immigration:				
Males	1,857	2,539	.....	682
Females	2,042	2,624	.....	582
Total	3,899	5,163	.....	1,264
Emigration:				
Males	1,075	1,014	61	.....
Females	1,182	1,145	37	.....
Total	2,257	2,159	98	.....
Births:				
Males	2,861	2,418	.....	57
Females	2,298	2,251	47	.....
Total	4,639	4,669	.....	10
Deaths:				
Males	2,527	2,576	.....	49
Females	2,589	2,585	4	.....
Total	5,116	5,161	.....	45
Marriages	1,333	1,315	18	.....

Statement showing the penitentiary institutions in Florence during the year 1883.

Name.	Lying on the list of January, 1883.	Received during the year.	Total.	Released.	Transferred to other prisons.	Dead.	Total.	Remaining on the list of January, 1884.	Number of days spent in prison.	Average cost per diem.	Total expenses.
Murato penitentiary	60	38	107	8	21	5	34	73	27,327	<i>Lira.</i> 0.87	<i>Lira.</i> 23,774.49
Murato prison	307	215	522	189	9	5	203	319	113,574	0.87	98,909.38
Murato judiciary prison	321	2,713	3,034	2,742	.....	.....	2,742	392	112,751	0.67	75,543.17
Santa Teresa prison	96	1,356	1,452	1,364	.....	.....	1,364	88	36,152	0.70	25,306.40
Santa Verdiana, female	23	313	336	286	.....	.....	286	56	11,291	0.67	7,564.97
Total 1883	816	4,635	5,451	4,589	30	10	4,629	823	301,095	0.74	230,998.41
Total 1882	797	4,293	5,090	4,265	.....	.....	4,274	816	296,816	0.77	228,952.40
Increase	19	342	361	324	30	1	355	6	4,279	.....	2,046.01
Decrease .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.08	.....

Statement showing the sanitary institutions in Florence during the year 1883.

Hospitals.	Patients.					
	Remaining on the list of December, 1882.	Received during 1883.	Total.	Discharged, cured, or benefited.	Dead.	Remaining on the list December, 1883.
Santa Maria Nuova	640	7,490	8,130	6,399	1,167	564
Syphillicomium	17	256	273	252	.....	21
Bonifazio (lunatics)	246	123	481	32	94	355
Santa Lucia	65	844	909	841	14	54
Asylum of Maternity	53	227	280	79	29	60
Total	1,121	9,552	10,673	8,315	1,304	1,054
San Giovanni di Dio	21	370	391	318	62	21
Total	1,142	9,922	11,064	8,633	1,356	1,075

Summary of business at the loan institution of Florence during the year 1883.

Items.	1883.	1882.	Increase.	Decrease.	Objects redeemed in 1883.
Objects pawned:					
Number:					
Clothing	101,286.00	102,462.00	.....	1,176.00	94,027.00
Gold and silver ornaments do.	103,909.00	105,769.00	.....	1,860.00	89,374.00
Total	205,195.00	208,231.00	.....	3,036.00	183,401.00
Value:					
Clothing	840,730.00	824,887.00	16,343.00	.....	660,936.00
Gold and silver ornaments do.	3,960,406.00	3,969,938.00	.....	9,552.00	3,181,728.00
Total	4,801,136.00	4,794,845.00	6,791.00	.....	3,842,664.00
Average value of each loan:					
Clothing	8.30	8.04	.26	.....	7.02
Gold and silver ornaments do.	38.11	37.53	.58	.....	35.95
Daily average:					
Clothing:					
Number	277.00	280.00	.....	3.00	259.00
Lira	2,303.36	2,258.59	44.77	.....	1,811.11
Gold and silver ornaments:					
Number	285.00	289.00	.....	4.00	244.00
Lira	10,850.40	10,876.60	.....	26.20	8,717.29

STATISTICS OF FLORENCE.

Galleries and museums.	Quarter ending March 31, 1883.			Quarter ending June 30, 1883.			Quarter ending September 30, 1883.			Quarter ending December 31, 1883.			Total.		
	Paying 1-lira fee.	Free entrance.	Total.	Paying 1-lira fee.	Free entrance.	Total.	Paying 1-lira fee.	Free entrance.	Total.	Paying 1-lira fee.	Free entrance.	Total.	Paying 1-lira fee.	Free entrance.	Total.
National Museum	2,887	665	3,553	4,038	697	4,735	1,434	827	2,261	2,347	712	3,059	10,766	2,871	13,577
St. Mark's Museum	2,009	471	2,480	2,826	492	3,318	756	494	1,250	1,544	595	2,139	7,185	2,053	9,187
Gallery of Precious Stones	552	80	632	626	77	703	158	32	190	367	65	432	1,703	254	1,957
Archaeological Museum	290	181	471	401	102	503	147	209	356	274	122	396	1,113	874	1,798
Pitti Gallery	4,129	3,367	7,496	5,594	2,707	8,301	1,826	2,004	3,830	3,113	2,601	5,803	14,861	10,769	25,430
Statues Gallery	9,579	5,172	14,751	12,096	5,981	18,077	5,121	4,611	9,732	7,074	5,983	13,057	35,070	21,697	56,767
Gallery of Antique and Modern Art	2,248	1,947	4,195	2,097	2,652	5,729	902	2,318	3,220	1,692	2,325	4,017	7,939	9,222	17,161
Buonarroti Gallery .....	.....	892	892	.....	1,325	1,325	.....	2,505	505	.....	2,983	803	.....	3,615	3,927
Censcolo of Fuligno	190	33	223	326	28	354	84	18	102	226	22	248	826	101	927
Censcolo of Ognissanti	95	12	107	92	7	99	14	13	27	110	6	116	311	38	349
Censcolo of S. Salvi	102	23	125	184	17	201	40	44	188	138	16	154	464	60	524
Censcolo of S. M. Magdalen	209	31	240	434	35	473	31	4	32	225	11	236	903	78	981
Medici Chapels	4,933	1,016	5,999	6,723	1,098	7,831	3,365	1,327	4,692	4,462	898	5,360	19,543	4,339	23,882
Total	27,273	13,890	41,163	37,051	15,178	52,229	13,978	12,863	26,841	23,171	14,339	37,510	100,373	55,770	156,143

Record of the meteorological observations kept at the Royal Observatory of Florence during the fiscal year ending June 30, 1884.

Years and months.	Temperature.			Pressure.			Moisture.			Rain.			Hydrometer of the Arno River.		Prevailing wind.		Weather.		Phenomena.																							
	Average.	Minimum.	Maximum.	Date.	Average.	Maximum.	Minimum.	Date.	Average.	Maximum.	Minimum.	Date.	Quantity.	Days.	Hours.	Evaporation of water.	Average.	Maximum.	Date.	I.	II.	Strong wind days.	Very strong days.	Borene days.	Rather serene.	Changeable.	Partly cloudy.	Cloudy days.	Rain.	Snow.	Freezing.	White frost.	Dew.	Fog.	Thunder.	Shining.	Rainbow.	Earthquake.				
1883.																																										
July.....	23.37	21.3	10.71	754	48.76	26.17	749	83.14	48.6	84.0	14.23	0.11	4.3	5	4.30	222.9	0.58	0.70	4	1	14	14	2	5	9	25	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
August.....	23.74	0.15	14.51	754	56.36	13.51	00	18.44	8.10	0.25	16.03	25.2	2	1.00	287.3	0.41	0.45	W.	SW.	6	6	7	17	1	2	1	1	15	3	2	1	4	4	4	4	4	4	4	4	1		
September.....	20.32	5.4	11.0	8	53.75	59.92	16.45	56.30	58.2	88.0	29.21	0.12	36.1	8	16.00	173.8	0.47	0.55	5	SW.	5	8	10	11	1	8	1	1	15	3	2	1	4	4	4	4	4	4	4	4	1	
October.....	14.62	8.19	5.0	7	6.64	66.89	8.46	49.5	64.4	95.0	22.88	0.13	42.0	6	14.00	111.8	0.59	0.90	23	NE.	8	2	5	7	11	1	6	1	15	4	4	1	1	1	1	1	1	1	1	1	1	
November.....	10.21	8.5	2	7	22	58.62	06.48	29.46	65.13	74.3	97.0	12.22	0.11	68.6	13	38.00	62.2	0.75	2.00	9	NE.	4	2	4	7	10	5	6	8	15	8	2	1	1	1	1	1	1	1	1	1	
December.....	4.9	11.8	24	3	55.52	64.42	25.80	89.4	72.9	95.0	12.24	0.5	16.8	6	12.00	76.0	0.62	0.80	17	NE.	4	2	4	7	10	5	6	8	15	8	2	1	1	1	1	1	1	1	1	1	1	
1884.																																										
January.....	4.8	13.8	30	4	3	47.60	83.76	06.22	74.6	90.28	73.8	100.0	7	80.00	55.0	0.70	1.10	8	NE.	2	1	9	8	5	3	6	7	5	18	4	5	5	5	5	5	5	5	5	5	5		
February.....	8.1	15.6	12	3	8	58.94	67.99	5	50.54	25.70	6	94.0	25.16	0.21	3.3	5	2.30	81.7	0.64	0.80	1	NE.	SW.	1	1	5	2	8	8	5	2	5	2	5	2	5	2	5	2	5	2	
March.....	10.6	22.2	14	1	7	54.96	64.03	18.43	49.22	59.8	94.0	3.24	0.16	22.4	6	13.30	126.4	0.66	1.00	2	NE.	SW.	4	1	4	6	12	6	3	3	3	3	3	3	3	3	3	3	3	3	3	
April.....	13.9	22.2	6	6	2	13	48.59	55.71	12.38	65.18	65.2	91.0	8.24	0.2	95.4	20	56.00	168.5	0.86	1.60	27	SW.	SW.	6	6	2	7	9	5	8	2	1	1	1	1	1	1	1	1	1	1	
May.....	19.0	30.0	21	8	2	55.56	61.06	9	49.03	54.7	5	88.0	7	16.01	44.5	7	20.00	231.5	0.73	0.96	19	NE.	SW.	6	6	2	7	9	5	8	2	1	1	1	1	1	1	1	1	1	1	
June.....	19.0	32.0	24	9	3	18	53.17	53.31	13.43	87.8	54.8	82.0	3	18.0	32.6	13	44.20	265.0	0.93	2.00	8	NE.	SW.	4	2	5	11	9	8	13	4	4	4	4	4	4	4	4	4	4		

STATISTICS OF MALTA.

REPORT BY CONSUL WORTHINGTON, OF MALTA.

I beg to inform you that the government notice issued on October 31, 1883, which prohibited the importation of cattle, wool, hides, skins, horns, bones, and hoofs from Sardinia, is this day, by a government notice, rescinded altogether. By this last notice it is also ordered that cattle from the districts of Catania and Syracuse, in Sicily, be now admitted without restrictions into this island.

Port statistics for Malta show that during the month of April, 1884, there were arrivals of ships in this port, as follows: 19 English men-of-war, 1 English steam yacht, 1 French steam yacht, 4 English sailing yachts, 376 steam merchant-vessels, measuring 415,951 tons register, 304 of which were under the British flag; 122 sailing merchant-vessels, measuring 7,925 tons register, 75 of which bore the British flag, making a total of 523 arrivals and 423,876 tons register.

During the same month there were imported in Malta 54,874 tons of English coal.

The merchants of Malta complain very seriously of the dullness of trade which exists at present in this island and in those ports in the Mediterranean with which commerce is maintained. The unsettled state of affairs in Egypt and the East is a hindrance to regular trade in that direction, and the depression of the shipping interests which, the Maltese merchants state, prevails in England is another cause for commercial inactivity here. One of the chief exports of the productions in this island is potatoes, the largest portion being usually shipped to England. The present is the season when the potatoes are most largely shipped, and the crop now available for export is a large one. The prices offered, however, are not satisfactory or profitable, and the Maltese farmer suffers accordingly.

Merchants here also profess to fear that quarantine will be again imposed on arrivals from beyond Suez, and that the unprosperous condition of things that obtained last year will be repeated during the approaching summer.

The following statistics, the first of the kind ever published here, may perhaps prove of interest:

Admissions, readmissions, discharges, and deaths of patients in the Malta lunatic asylum during the first quarter of 1884.

Patients.	Males.	Females.	Total.	Males.	Females.	Total.
In the asylum December 31, 1883.....				201	189	390
Cases admitted:						
First admissions.....	15	12	27			
Not first admissions.....	6	7	13			
Total cases admitted during the quarter.....				21	19	40
Total cases under care during the quarter.....				222	208	430
Cases discharged:						
Recovered.....	8	10	18			
Relieved.....	1		1			

readmissions, discharges, and deaths of patients, &c.—Continued.

Patients.	Males.	Females.	Total.	Males.	Females.	Total.
Cases discharged—Continued.						
At request.....	3	1	4			
Not object.....	1		1			
Died.....	6	3	9			
Total cases discharged and died during the quarter.....				19	14	33
Remaining on March 31, 1884.....				203	184	387
Average number resident during the quarter.....	202	187	389			
Persons* under care during the quarter.....	221	206	427			
Persons admitted during the quarter.....	20	19	39			
Persons recovered during the quarter.....	8	10	18			

* Persons, &c., separate persons in contradistinction to "cases," which may include the same individual more than once.

† Total cases minus readmissions of patients discharged during the current quarter.

I have the pleasure to report that the health of the Maltese islands continues to be in all respects excellent.

I beg to ask of the Department of State a supply of cap-paper suitable for dispatches.

JOHN WORTHINGTON,
Consul.

UNITED STATES CONSULATE,
Malta, May 15, 1884.

IMPORTS AND EXPORTS AT NATAL.

COLONIAL OFFICIAL STATEMENTS TRANSMITTED TO THE DEPARTMENT BY CONSULAR AGENT CATO.

Statement of the quantities and values of goods imported for the three months ended March 31, 1884, as compared with the corresponding period of 1883.

Articles.	Three months ended March 31, 1884.		Three months ended March 31, 1883.	
	Quantities.	Values.	Quantities.	Values.
Agricultural implements.....		£1,813		£2,131
Ale and beer:				
In bottle.....gallons..	22,640	4,758	38,586	7,106
In wood.....do.....	81,233	8,265	121,025	11,025
Apparel and slops.....		38,033		46,058
Apothecary wares.....		7,464		8,312
Cabinet and upholstery ware.....		6,243		9,218
Coffee.....cwt.....	4,805	11,610	83	326
Cotton:				
Manufactures.....yards..	1,035,276	17,511	1,163,287	22,454
Blankets and sheets.....pairs..	48,629	5,871	72,227	9,012
Flour, meal, and bran.....barrels..	6,572	7,837	18,835	25,030
Glass and glassware.....		1,933		6,084
Grain, of all kinds.....quarters..	2,355	3,325	8,140	5,774
Guns and pistols.....number..	219	870	232	843
Gunpowder.....pounds..	40,141	719	22,853	1,021
Haberdashery and millinery.....		33,960		37,088
Hosiery.....		3,012		2,813
Iron of all sorts.....tons..	546	7,467	1,299	20,092
Ironmongery and hardware.....		12,733		31,010
Leather manufactures.....		22,588		25,249
Linen.....yards..	43,728	1,672	72,767	2,352
Machinery.....		11,932		7,514
Oilmen's stores.....		6,376		9,559
Plate and jewelry.....		1,694		2,034
Preserved provisions, fruit, &c.....		4,339		7,547

Statement of the quantities and values of goods imported, &c.—Continued.

Articles.	Three months ended March 31, 1884.		Three months ended March 31, 1883.	
	Quantities.	Values.	Quantities.	Values.
Rice.....cwt..	9,867	£3,965	14,794	£4,789
Saddlery and harness.....		3,626		6,061
Soap.....cwt..	2,570	2,542	2,604	2,624
Spirits of all sorts.....gallons..	29,584	10,816	41,700	12,989
Stationery.....		4,713		7,132
Tea.....pounds..	20,191	907	37,044	1,720
Tobacco:				
Manufactured.....do....	11,804	876	14,695	1,197
Unmanufactured.....cwt..	446	1,221	63	183
Cigars.....pounds..	3,143	893	4,682	1,173
Woolen:				
Manufactures.....yards..	108,437	6,441	72,750	5,799
Blankets and rugs.....pairs..	83,069	14,209	36,518	18,634
Wine:				
In wood.....gallons..	6,399	1,415	7,575	1,979
In bottle.....do....	1,805	1,372	2,354	2,405
Value of the above articles.....		274,421		367,396
Value of all other articles.....		114,497		183,909
Total value of imports.....		388,918		551,305

Statement of quantities and values of colonial produce, together with the total value of all other goods exported from the colony during the three months ended 31st March, 1884, as compared with the corresponding period 1883.

Articles.	1884.		1883.	
	Quarter ended 31st March.		Quarter ended 31st March.	
	Quantities.	Values.	Quantities.	Values.
Aerated waters.....packages..	60	277	6	24
Aloes.....cwt..	68	60	9	4
Animals, live—horses.....number..	4	85		
Arrowroot.....cwt..	5	9	261	237
Breadstuffs.....do....	39	62		
Carts and carriages.....number..	3	54		
Coffee.....cwt..	12	50	1	3
Cotton, raw.....pounds..	3,450	70		
Curiosities.....packages..	14	36	4	13
Earthen and stone ware.....do....	2	6		
Feather, ostrich.....pounds..	961	2,552	495	2,513
Flour, meal, and bran, maize.....barrels..	2	2	4	6
Fruit:				
Dried.....			21	1
Fresh.....packages..	2,484	632	1,293	470
Preserved.....do....	19	48	151	334
Grain:				
Beans and peas.....quarts..	95	128	44	126
Maize.....do....	1,560	1,403	3	7
Ground nuts.....bags..	30	14		
Hair, angora.....pounds..	76,715	2,349	41,889	2,083
Hides, ox and cow.....number..	79,281	17,627	51,163	12,992
Horns:				
Buck.....			10	5
Ox and cow.....number..	52,006	541	26,262	414
Rhinceros.....do....	3	3		
Ivory.....pounds..	2,265	797	3,424	1,307
Ores and minerals (specimens).....cwt..	14	5		
Pickles and sauces.....packages..	19	39		
Plants and bulbs.....do....	64	7	1	1
Potatoes.....cwt..	156	73	64	22
Saddlery and harness.....			1	280
Skins:				
Buck, quagga, and wildebeeste.....number..	1,227	123	873	136
Calf, sheep, and goat.....do....	65,039	2,538	18,106	720
Specimens illustrative of natural history.....packages..	3	8	1	1

Statement of quantities and values of colonial produce, &c.—Continued.

Articles.	1884.		1883.	
	Quarter ended 31st March.		Quarter ended 31st March.	
	Quantities.	Values.	Quantities.	Values.
Spices, cayenne pepper	cwt.. 18	£81	23	£162
Spirits, rum	gallons.. 51,355	2,166		
Sugar, unrefined	cwt.. 63,970	54,862	13,434	18,082
Vegetables, fresh	packages.. 8	4		
Wood, boats			1	75
Wool, sheep's	pounds.. 4,386,816	138,106	4,227,476	141,726
Colonial produce		226,567		177,638
Miscellaneous goods, not colonial		*20,207		*10,616
Total value of exports		246,774		188,249

* Included in this value is gold dust and bars, 1884, £1,977; 1883, £2,754.

GEO. RUTHERFORD,
Collector of Customs.

CUSTOM DEPARTMENT, *Port Natal*, April 3, 1884.

SHIPS BOUND TO OTTOMAN PORTS.

THE TURKISH MINISTER TO THE SECRETARY OF STATE.

1.

IMPERIAL OTTOMAN LEGATION,
Washington, May 8, 1884.

MR. SECRETARY OF STATE: Referring to the note which I had the honor to address to you on the 11th of February last, No. 4519, relative to the requirement of the consular *visé* on the bills of health of vessels bound to Ottoman ports, I now desire to inform you that the maritime authorities in Egyptian ports have been instructed to enforce the said requirement rigorously.

I should be very grateful to you, Mr. Secretary of State, if you would bring this decision to the knowledge of those whom it may concern, and I beg you to accept, &c.

2.

No. 4519.] LEGATION OF THE OTTOMAN EMPIRE,
Washington, February 11, 1884.

MR. SECRETARY OF STATE: The Sublime Porte has just informed me, by telegraph, that the maritime authorities of the Empire have received the order to request, under penalty of a fine, the consular *visé* on the papers of vessels arriving in the Ottoman ports. Our consuls are invited to make known, by telegraph, to the maritime authority of the port of destination those vessels that leave without being provided with the consular *visé*.

I shall be very much obliged, Mr. Secretary of State, if you will bring this measure to the knowledge of the interested parties and accept the renewed assurance, &c.

TAXES AND REVENUE IN SIAM.

REPORT BY CONSUL-GENERAL HALDEMAN, OF BANGKOK.

That the Department may know whence come the five or six millions of treasure annually raised in Siam, which here, as elsewhere, under arbitrary rule, go to the sovereign and by him are used *ad libitum*, without the formulary of a yearly budget, I have the honor to transmit herewith statement of taxes and sources of revenue of the Siamese Government, which has been prepared with care, and which, I believe, notwithstanding the disinclination of officials to impart information hereon, will be found entirely trustworthy:

Statement of taxes and sources of revenue of the Siamese Government.

(1.) Taxes on exports: Principal article of export rice, on which the duty is from 10 to 12 cents per picul.*

(2.) Taxes on imports: Uniform rate of 3 per cent. on the market value of the goods.

(3.) Taxes on cultivated lands: About 60 cents an acre.

(4.) Taxes on fruit trees, &c.: A list of the duties is given in the treaty. These taxes are in lieu of land taxes.

(5.) The revenue derived from certain monopolies which are either in the hands of Government or farmed out by them, viz: Preparation and sale of opium; manufacture and sale of spirits; tax on gambling-houses; the collection and sale of edible birds' nests; the collection of turtles' eggs; the manufacture and sale of cakes and confectionery; the manufacture of iron pans; the manufacture of iron; and taxes on prostitution.

(6.) Taxes on houses, floating-houses, shops, godowns, &c., and on boats employed in a certain manner, viz:

	Ticals.†
Boats engaged in carrying bricks	per fathom.. 1
Boats engaged in carrying sand	do.... 1
Boats engaged in carrying tiles	do.... 1
Boats hawking miscellaneous hardware	do.... 1
North country boats, bringing goods to Bangkok for sale	do.... †
Boats moored with goods for sale for more than two months, but under twelve months.....	per fathom.. †
Boats moored with goods for sale for more than two months, but over twelve months.....	per fathom.. 1
Floating houses:	
With goods for sale	per room.. 1½ to 3
Used as brothels.....	do.... 3
Used as lottery stations	do.... 3
Used as gambling houses.....	do.... 3
Used as liquor shops	do.... 3
Those rented out	do.... 3

Houses, godowns, shops, &c., on shore, with goods for sale, used as brothels, used as lottery stations, used as gambling houses, also those rented out, if within the district guarded by police, must pay 12½ per cent. of their annual rental; if not in the districts of the police, must pay 8½ per cent. of the rental.

There is also a tax on fresh provision markets.

* A picul=133½ pounds.

† A Siamese tical=60 cents.

(7.) Inland taxes:

	Ticals.		Ticals.
White sugar per picul..	$\frac{1}{2}$	Charcoal..... per cent..	10
Red sugar..... do.....	$\frac{1}{2}$	Posts (wood)..... do.....	10
Pepper..... do.....	1	Cocoanut oil..... do.....	10
Fish (pla thoo) per cent..	$8\frac{1}{2}$	Red and white lime..... do.....	10
Teelseed..... do.....	$8\frac{1}{2}$	Palm sugar..... do.....	10
Beans..... do.....	$8\frac{1}{2}$	Molasses..... do.....	$8\frac{1}{2}$
Pelctraboos tobacco..... do.....	10	Tin..... do.....	10
Silk..... do.....	$8\frac{1}{2}$	Firewood..... do.....	20
Bee's wax..... do.....	$6\frac{1}{2}$	Attap..... do.....	10
Raw cotton..... do.....	10	Kacheng..... do.....	10
Paw vegetable fiber..... do.....	10	Torches..... do.....	10
Indigo..... do.....	10	Resin..... do.....	10
Salt sea fish..... do.....	$8\frac{1}{2}$	Oil of yang tree..... do.....	10
Smoked fish..... do.....	$8\frac{1}{2}$	Rattans..... do.....	10
Fresh fish..... do.....	$8\frac{1}{2}$	Bamboos..... do.....	10
Shrimp paste..... do.....	10	Redwood..... do.....	10
Onions and chilis..... do.....	10	Blackwood..... do.....	10
Hemp for sails..... do.....	10	Mai Takuan wood..... do.....	10
Vegetables..... do.....	5	Wood called Mai Phya Loi..... do.....	10
Pork..... do.....	$8\frac{1}{2}$	Salt, 6 ticals per coyan, 0.3 per cent.	
Fowls..... do.....	$8\frac{1}{2}$	per picul.	
Ducks..... do.....	$8\frac{1}{2}$	Teakwood..... per cent..	10
Eggs of fowls or ducks..... do.....	$8\frac{1}{2}$	Tobacco..... do.....	10

(8.) Taxes on implements used for catching fish in salt and fresh water:

	Ticals.
Rafts, in line, to which nets are attached, for each aperture.....	4
Boats, with large net..... per annum..	10
Boats, with smaller net..... do.....	6
Boats, with small net..... do.....	1
Boats, with dragging net..... do.....	10
Large round net stretched on crossed bamboo, with handle attached, per fathom.....	$1\frac{1}{2}$
Spoon-net, with wider mouth than 10 cubits..... per annum..	2
A boat with big spoon-net..... do.....	$\frac{1}{2}$
A boat with small spoon-net..... do.....	$\frac{1}{2}$
Basket used for catching fish in shallow water..... do.....	$\frac{1}{2}$
Net for the fish "Ta phiew"..... do.....	1
Harpoon or spear..... do.....	$\frac{1}{2}$
"Lawp," a long trap or basket..... do.....	$1\frac{1}{2}$
A string of hooks..... do.....	$\frac{1}{2}$
Each line for chaun or kado fish..... do.....	$\frac{1}{2}$
Small net stretched on two sticks..... do.....	$\frac{1}{2}$
Scoop made of split bamboo..... do.....	$\frac{1}{2}$
Other snares, from..... do.....	$\frac{1}{2}$ to $\frac{1}{2}$
Beds of water-plants in front of houses for attracting fishes..... per fathom..	$\frac{1}{2}$
Fish pools..... do.....	$\frac{1}{2}$

The following are used in salt water:

Fishing-stakes, disposed in a circle..... per annum..	6
Fishing-stakes, disposed in a circle..... do.....	12
Fishing-stakes, in triangle form, with net at apex..... do.....	3
One boat, with hooks for dragging..... do.....	$2\frac{1}{2}$
Fence for confining shrimps..... do.....	$1\frac{1}{2}$
Casting-net..... do.....	1
Spoon-net for shrimps and prawns..... do.....	$\frac{1}{2}$
Fishing-stakes..... do.....	10
A large fishing boat..... do.....	6
A very large net used by many men..... do.....	12
Boat for catching "pla kuraw"..... do.....	4
"Lamos," a large inclosure of bamboo..... do.....	6
"Lamos," for deeper water..... do.....	20
Close bamboo fence..... do.....	12
Close bamboo fence for deeper water..... do.....	16
A kind of fishing-net..... do.....	16
Net for shrimps..... do.....	20
Net for beche de mer..... do.....	24
Spears for beche de mer..... do.....	4
Harpoon for turtle..... do.....	8
Plank for sliding over the mud..... do.....	$\frac{1}{2}$
Hook and line..... do.....	$\frac{1}{2}$ to $\frac{1}{2}$

- (9.) The revenue derived from money paid in commutation of Government service, to which may be added the service performed by *corré*.
- (10.) The revenue derived from a poll-tax of 4½ ticals on Chinese every third year.
- (11.) Taxes are also levied on theatrical representations and plays of various kinds:

	Ticals.
Drama of "Rama Kien,"	per diem.. 28
Drama of "Amirut,"	do..... 12
Theatrical representation, "Nang,"	each night.. 1
Chinese theater	per diem.. 2
Chinese puppet-show	do..... 1
Drama of "Ih Hnao,"	do..... 20
Dramas of various kinds	do..... 2
Singing	do..... 1
Chinese theater (special)	do..... 4

JOHN A. HALDERMAN,
Consul-General.

LEGATION OF THE UNITED STATES,
Bangkok, Siam, April 23, 1884.

TRADE-MARK REGULATIONS IN JAPAN.

REPORT BY MINISTER BINGHAM, OF TOKAI.

The Government issued, on the 7th instant, notifications of trade-mark regulations and by-laws for their registration, copies of which, as published in the Japan Weekly Mail of the 21st instant, I have the honor to inclose.

I have no doubt our citizens will find it to their advantage to avail themselves of these timely regulations in their future commercial transactions with Japan.

JOHN A. BINGHAM,
Minister.

UNITED STATES LEGATION.
Tokai, Japan, June 21, 1884.

TRADE-MARK REGULATIONS.

NOTIFICATION NO. 19 OF THE PRIVY COUNCIL.

It is hereby notified that trade-mark regulations have been enacted as follows, and will come into force from the 1st of October, 1884:

By Imperial decree, June 7, 17th year of Meiji (1884).

TARUHIITO SHINNO,
Second Minister of State.
MATSUKATA MASAYOSHI,
Minister of Agriculture and Commerce.

TRADE-MARK REGULATIONS.

ARTICLE I. When trade-marks are registered at the agricultural and commercial departments in a book specially provided for the purpose, the owners of such marks may enjoy the exclusive privilege of employing them for a term of fifteen years from the date of registration.

ART. II. Persons who are desirous of obtaining a right to the exclusive use of trade-marks, must apply for registration by forwarding specimens and a detailed account of the marks. This account will explain the nature of the marks, and the manner of using them, and will give the name and classification of the articles to which they are to be attached.

When registration is permitted, a certificate will be granted.

ART. III. Applications for the registration of trade-marks will be retained by the authorities for two months from the date of their receipt, after which time they will receive sanction, should no conflicting applications have been received in the interim.

When two or more persons happen to apply for registration of the same marks, or of marks which closely resemble each other, with the intention of affixing them to articles of the same classification, the application, or applications, of later date will be rejected; and when they are under the same date, all will be rejected.

ART. IV. Suitable measures will be taken by the minister of agriculture and commerce to exhibit the registered trade-marks to the public.

ART. V. Registration of the following trade-marks must not be applied for:

1. Trade-marks which are exactly the same as, or are likely to be mistaken for, marks already registered, and which are designed to be affixed to articles of the same classification.

2. Marks which represent the name of a place, a person, a shop, or a company, and those representing the general name of articles, or national arms, either foreign or domestic.

3. Marks which are universally employed by a particular class of merchants, or which are used in accordance with the common customs of the commercial community.

4. New marks which are exactly the same as, or likely to be mistaken for, marks adopted prior to the promulgation of the present regulations, and actually used up to the present time, and all marks of a similar character, intended to be attached to articles of the same class or description.

ART. VI. When persons who have registered their marks change their residences, the local jurisdiction, or their personal names, or abandon their trade, or suspend it for a year or upwards during the term for which the marks are registered, they must give notice of the said change, abandonment, or suspension to the authorities within three months.

ART. VII. When heirs succeed to the business of their predecessors during the term of the exclusive use of the latter's trade-marks, they must report the fact to the authorities within three months after their succession.

ART. VIII. When persons who have obtained registration of marks desire to assign, wholly or in part, the right of using such marks to other persons, they must apply for fresh registration. In such cases the period of the exclusive use of the marks will be reckoned from the date of original registration.

ART. IX. When it is desired to apply or transfer the same marks to articles of other classifications, or to introduce some alterations into them, application must be made for fresh registration. In such cases applications will be dealt with in accordance with Article III of these regulations.

ART. X. When persons who have obtained registration desire to continue the exclusive use of trade-marks after the expiration of the registered term, they must apply for fresh registration within three months before the expiration of such term.

ART. XI. In the event of certificates of registration being lost or damaged, application must be made for fresh certificates.

ART. XII. When, after the registration of trade-marks, frauds are detected in the original application for their registration, or in the specimens or detailed accounts furnished in accordance with these regulations, or when it is found that the original applications were carried out in violation of Article V, the registration will lose its validity, and the certificates will be canceled by the authorities.

ART. XIII. When the owners of registered trade-marks relinquish their business entirely, they will lose their right to the exclusive use of the marks from the date of such relinquishment. This provision also holds good in the case of the suspension of a trade for three years.

ART. XIV. Applicants for registration of trade-marks must pay the following fees; provided that, in case their applications are rejected, the money will be refunded:

1. The sum of ten yen must be paid for the registration of one trade-mark, and if the same mark is to be applied or transferred to articles of different classes, five yen must be added for each class.

2. Applications for transfer, wholly or in part, or for alteration of trade-marks, or for the continuation of their use after the expiration of the registered term, will involve the payment of five yen for every mark.

3. One yen must be paid for obtaining a fresh certificate of registration.

ART. XV. The owners of registered trade-marks may claim damages from, or lay information against, any person who encroaches upon their privileges.

ART. XVI. Persons who counterfeit registered trade-marks and employ them will be punished by imprisonment with hard labor for a term of not less than one month and not more than one year, in addition to a fine of from four to forty yen. Persons who use trade-marks clandestinely will be liable to a punishment mitigated by one degree from the above.

ART. XVII. Those who make and use marks which are likely to be mistaken for regis-

tered marks, will be liable to imprisonment with hard labor for a period of not less than fifteen days and not more than six months, and to a fine of from two to twenty yen.

ART. XVIII. Persons who, with full knowledge of the fact, undertake the sale of commodities bearing trade-marks of the nature interdicted by Articles XVI and XVII, will be liable to a fine of from four yen to forty yen.

ART. XIX. In the cases set forth in the three preceding Articles XVI, XVII, and XVIII the trade-marks will be confiscated, and when the marks are inseparable from the commodities, the commodities themselves will be destroyed.

ART. XX. Those who fraudulently effect the registration of trade-marks, or falsely assert that they have obtained registration, will be punished by imprisonment with hard labor for a term of from fifteen days to six months, together with a fine of from two to twenty yen.

ART. XXI. Persons who neglect to make a due report within a prescribed period, in accordance with Articles VI and VII, will be liable to a fine of from one yen to 1.95 yen.

ART. XXII. Persons infringing these regulations will not be dealt with in accordance with those provisions of the penal code which refer to the concurrence of several offenses.

ART. XXIII. Offenses enumerated in articles XVI to XVIII, inclusive, will be taken cognizance of only after information is laid by the owners of the registered trade-marks.

ART. XXV. When such information is laid against offenders by the owners of marks, the judges may suspend the sale of all commodities bearing the marks in question, pending investigation.

SUPPLEMENT TO THE ABOVE REGULATIONS.

Should any person desire to make exclusive use of marks which he employed prior to the publication of these regulations, he must apply for registration within six months from the date of the publication of these regulations. Application so made will be held by the authorities for eight months, calculated from the date of the promulgation of the new regulations, and if no other conflicting applications are received during that interval, registration will be granted.

When two or more persons apply, under the preceding provisions, for a registration of marks which are precisely the same as, or likely to be mistaken for, each other and which are intended to be affixed to articles of the same class, and when the applications conflict with each other, the minister of agriculture and commerce will grant registration to such marks only as he finds have been in use for the longest period, and will reject all other marks.

Applications which would otherwise be dealt with in accordance with Article III of the main regulations will also be held for eight months from the date of the publication of these regulations and should it happen that such applications conflict with those made in conformity with the first clause of these supplementary rules, both the former and the latter applications will be rejected, without regard to their dates. When applications are thus rejected in accordance with the two preceding provisions, the fees received for registration will be paid back.

NOTIFICATION NO. 13 OF THE PRIVY COUNCIL.

It is hereby notified that in connection with the trade-mark regulations, by-laws defining the mode of presenting applications for the registration of trade-marks have been established, as follows:—

JUNE 7, 1884.

TARUHITO SHINNO,
Second Minister of State.
MATSUKATA MASAYOSHI,
Minister of Agriculture and Commerce.

BY-LAWS FOR THE REGISTRATION OF TRADE-MARKS.

ARTICLE I. Applications and reports relating to trade-marks must be presented to the agricultural and commercial department through local officers.

ART. II. Should any person desire to apply for the registration of trade-marks, he must send in five specimens of the marks, and the specified amount of fees, as well as applications and detailed accounts in duplicate.

ART. III. When application for registration is made with the intention of apply-

ing the same mark to two or more descriptions of articles, or when application is made to transfer to one description of articles only mark previously affixed to two or more descriptions, a separate application and a detailed account must be presented for every different description of article or for each mark.

ART. IV. In preparing a report of succession, in conformity with Article VII of the main regulations, an heir must procure the signatures of two trustworthy persons as his sureties, when his succession is in consequence of the death of the original owner of the trade-marks; but if the succession takes place while the original owner of the marks is still living, the report must bear the signatures of the successor and the owner.

ART. V. When application is made for the assignment of trade-marks, wholly or in part, in accordance with Article VIII of the regulations, such application must bear the signatures of the persons who assign the marks and of those to whom they are assigned. Moreover, applicants must forward the certificate of registration, a copy of the contract of assignment, and two copies of their several applications, as well as of the detailed accounts (three copies in case of partial assignment), together with the prescribed registration fees. When registration is thus effected, the person to whom the trade-marks are assigned will be furnished with a separate certificate of registration and a detailed account of the transaction; while the assignor will receive back the original certificate and detailed account, indorsed and stamped on the back by the authorities.

ART. VI. Applications for the transfer of trade-marks to other articles, or for their use upon more than one description of article, in accordance with Article IX of the main regulations, will be made in conformity with Article II of these by-laws.

ART. VIII. When application is made to continue the use of trade-marks or to obtain a fresh certificate of registration, in accordance with Articles X and XI of the regulations, two copies of the application, together with the prescribed registration fees, must be forwarded.

ART. VIII. When applications for registration are rejected by the Government, the causes of such rejection will be pointed out.

ART. IX. Owners of registered trade-marks are at liberty to change the color of their marks at will.

ART. X. Owners of registered marks are, in accordance with instructions issued by the minister of agriculture and commerce, required to present their trade-marks, or copies of them, within thirty days from the date on which the certificate of registration was issued.

ART. XI. Articles to which trade-marks may be attached are classified as follows, and in the use of articles the classification of which is not determined by applicants for registration a decision will be made by the agricultural and commercial department:

CLASSIFICATION OF ARTICLES.

Class I. Chemical drugs and medicines: Acids, paints, alkalies, gums, mucilages, glue, phosphor, soap, spirits, glycerine, quinine, morphine, tinctures, sirups, decoctions, pills, ointments, medicinal oils, musk, cloves, bleaching-powders.

Class II. Dyes and pigments for painting the face: Indigo and indigo-balls. *shikon* (a species of madder), rouge, cinnabar, red oxide of lead, verdigris, smalt, prussian blue, white powder, powdered chalk, gamboge, &c.

Class III. Materials for varnishing: Lacquer, varnish, paint, *shibu* (juice expressed from unripe persimmons), blacking, &c.

Class IV. Perfumery and incense: Aromatic oil, hair-dressing oil, sacks containing perfumes, perfumed waters, burning incense, incense sticks.

Class V. Metals in ore or smelted: Pig iron, wrought iron, steel, iron bars, sheet iron, iron plates, copper, copper plates, lead, lead plates, zinc, zinc plates, tin, alloys, copper and iron wire, &c.

Class VI. Manufactured metals, molded vessels, forged articles, engraved and chased articles, &c.

Class VII. Cutting and sharp instruments: Sickles, saws, chisels, gimlets, needles, nails, razors, scissors, knives, fire-hooks, &c.

Class VIII. Valuable metals and articles made of these (articles made of aluminium and nickel are included in this class); gold, *shibuchi* (composite metal made of copper three parts and silver one part); *shido* (a composite metal consisting generally of 700 parts copper and 300 parts silver); *sinshido* (a composite metal consisting of 600 parts copper, 250 parts zinc, and 150 parts tin); alloys of valuable metals; articles plated with metals; engraved metals; articles inlaid with metals, &c.

Class IX. Jewels and articles inlaid with these: Coral, pearls, agate, crystals, topaz, emerald, and all articles made in imitation of these.

Class X. Minerals (coal belongs to Class LI).

Class XI. Stones, articles made of stone, and engraved or sculptured stones: Slate, marble, whetstone, stone vessels, and imitations of these.

- Class XII. Plasters: Common plaster, cement, plaster of Paris, &c.
- Class XIII. Porcelain and pottery: Various sorts or porcelain and pottery, earthen-ware, crucibles, tiles, bricks, &c.
- Class XIV. Enamel or porcelain wares manufactured after the fashion of enamel.
- Class XV. Glass and glass vessels: Glass bottles, glass pipes, colored or painted glass, &c.
- Class XVI. Machinery: Looms, sewing-machines, sugar-manufacturing machines, printing-machines, and machines used for various manufactures, steam engines and boilers, &c.
- Class XVII. Agricultural implements and mechanics' tools: Spades, mattocks, Chinese *mino* (shallow baskets used for cleansing rice), rakes, nail extractors, iron hammers, carpenters' squares, &c.
- Class XVIII. Scientific instruments: Chemical, medical, and surveying instruments, and others used for explaining natural philosophy.
- Class XIX. Weights and measures.
- Class XX. Vehicles used for the transport of goods: Carts, carriages drawn by horses, *jirikisha* velocipedes, &c.
- Class XXI. Musical instruments: Harps, guitars (*samisen*), violins, flutes, &c.
- Class XXII. Watches and clocks and articles appended to these.
- Class XXIII. Rifles, bullets, gunpowder, fire-works, &c.
- Class XXIV. Silk-worm-egg cards and cocoons.
- Class XXV. Floss silk and cotton.
- Class XXVI. Silk obtained from natural cocoons (strings for harps, and gold and silver thread belong to this class).
- Class XXVII. Cotton yarns.
- Class XXVIII. Woolen yarns.
- Class XXIX. Flaxen yarns.
- Class XXX. Silk textiles.
- Class XXXI. Cotton manufactures.
- Class XXXII. Woolen manufactures.
- Class XXXIII. Flaxen manufactures.
- Class XXXIV. Woven goods other than silk: Cotton, flaxen, and woolen manufactures, and other various fabrics interwoven with different sorts of thread.
- Class XXXV. Articles plaited or knit with thread: Lace, braids, cords, &c.
- Class XXXVI. Clothing: Costumes of all descriptions, hats and caps made of woven goods, gloves, socks, raincoats made of woven goods, hakama (loose trousers), any knit articles, &c.
- Class XXXVII. Brewages and beverages: All sorts of *saké*, vinegar, soy, sweet orange juice, soda water.
- Class XXXVIII. All sorts of sugar, molasses, honey, &c.
- Class XXXIX. Confectionery and bread: Dried confectionary, steamed confectionery, foreign confectionery, *ame* (a kind of jelly), sugared fruit, &c.
- Class XL. Tea and coffee.
- Class XLI. Tobacco.
- Class XLII. Fruits, grain, and vegetable seeds: The five cereals, vegetables, mushrooms, fruits, their seeds, bulbs, &c.
- Class XLIII. Ground grain and flour, and food made of these: Ground grain of all sorts, flour, all kinds of food made of flour, *yuba* (food made of beans), *kon-niyaku*, bean curd (*tôfu*), &c.
- Class XLIV. *Miso* (sauce made of beans), pickles, and similar relishes.
- Class XLV. Preserved meats and seaweed, dried and smoked bonito, the onychotenchi, Banksi, dried "sea-ear," *nori* (edible sea-weed), *kombu* (the laminaria), *tsukudani* (food boiled in soy for preservation), food preserved in sauce, all sorts of *umi*, and other picked food.
- Class XLVI. Food made of milk: Condensed milk, butter, cheese, desiccated milk, &c.
- Class XLVII. *Fukuromono* (purses, pouches, &c.), and articles used for smoking: Pipes of every description, tobacco pouches, tobacco-pipe sheathes, purses, &c.
- Class XLVIII. Paper and paper articles: All sorts of paper, colored paper, *tanzaku* (slips of paper with pictures and poetry), paper manufactured like leather, oiled paper, paper smeared with persimmon juice, envelopes, paper boxes for putting ledgers in, *ikkanbari* (papered articles), paper cords for binding the hair, &c.
- Class XLIX. Brushes and inks: Red inks, marking ink, black ink; slate pencils, pencils, pens, &c.
- Class L. Leather and leather articles: Harness, trunks, book-cases, girdles, shoes, &c.
- Class LI. Combustible materials: All sorts of coals and charcoals, lucifer matches, wicks, &c.
- Class LII. Oils and candles: All sorts of oils, wax, candles, grease, &c.

Class LIII. Mannures: Dried sardines, intestines of herrings, dregs of oils, powdered bones, &c.

Class LIV. Timber and bamboo.

Class LV. Articles made of wood, bamboo, and *Wisteria chinensis*, and those lacquered or painted with gold, cabinetwares, articles turned in a lathe, round boxes, tubs of every description, basket-work, &c.

Class LVI. Articles made of horn, shell, or ivory.

Class LVII. Articles made of straw and grass: Matting, *mushiro* (coarse mats), netted hats, cords, wheat-straw work, &c.

Class LVIII. Umbrellas, canes, and *hakimono* (articles worn on the feet), clogs, straw sandals, thongs, &c.

Class LIX. Fans of all sorts.

Class LX. Lanterns and lamps.

Class LXI. Tooth-powder and *araito* (white powder used for cleansing the body).

Class LXII. All kinds of brushes.

Class LXIII. Toys, hair-pins, hand-balls, checkers (*gô*), chess-men (*shogi*), tops made in the form of dolls, small bows, *oshite* (pictures in relief), artificial flowers, cards, &c.

Class LXIV. Pictures and photographs, &c.

Class LXV. Books, newspapers, magazines, &c.

RAILWAYS IN JAPAN.

REPORT BY CONSUL-GENERAL VAN BUREN.

From the imperfect statistics of which I am able to get possession, I beg to submit the following figures as to the railway system of Japan. The pioneer road runs from Yokohama to Tokio, a distance of 18 English miles. It was constructed in 1870-1872, at a very great cost. The Rokugo River, about half-way between the termini, is at times a deep and turbulent stream, overflowing its banks with the rush of waters from the mountains, and the railway therefore required at this point a bridge of the very best construction. This was finished a few years since, in iron, by English engineers, and is an admirable piece of work, the trains crossing it at full speed. The cost of this bridge is stated to me by the bureau as 330,470.75 yen, but common rumor places it at about three times that amount.

The receipts of this road are officially reported to me for the year ending June 30, 1883, at 709,979.24 yen, and its expenditures as 453,834.44 yen.

The next line constructed was that from Kobe or Hiogo to Otsu, on Lake Biwa, running through Osaka, a distance of 58 miles. This is said to have cost 8,095,047 yen, and the receipts for the year ending June 30, 1883, are reported as 968,225 yen, and expenditures 432,567 yen.

A line also runs from Tsuruga, in the province of Echizen, to Sekigahara, a distance of 41 miles, costing 2,639,899 yen. Receipts for the year, 51,572.93 yen; expenditures for the year, 47,011 yen. Another line, opened a short time since, runs from Ueno (Wāno), in Tokio, to Takasaki, in Gumma Ken, a distance of 63 miles, which is to be continued 5 miles farther to Mayebashi, and with a connection from Shinagawa (a station on the Yokohama and Tokio Railway) to Akabane, a distance of 13 miles. A line is being constructed a distance of 8 miles from Sekigahara, in the province of Mino, to Ogaki, a distance of 8 miles.

There are also lines under contemplation as follows: From Ogaki, in the province of Mino, to Takasaki, in the province of Joshin, about 220 miles, and from Tarui to Yokkaichi in the province of Isi, a distance of 30 miles.

The Poronai road in the Hokkaido, the northern province of the Empire, upon which I made a brief report a few years since, was built by American engineers and is stocked with locomotives purchased in the United States. It runs from Femiya, in Otaru Harbor, through Sapporo, the seat of the provincial government of Sapporo Ken, to the Poronai coal mines, a distance of a little over 56 miles. It has five large bridges and six tunnels. One of the wooden bridges has lately been removed and replaced by one of iron, and another is about to undergo the same process.

These iron bridges were purchased from Coprode & Saylor, of Philadelphia. The locomotives came from H. K. Porter & Co., of Pittsburgh, Pa. Another has been ordered from the same firm, as the business of the road is rapidly increasing. It was finished in 1882, and its entire management is in the hands of Japanese. Its cost is stated at 21,742 paper yen per mile—paper yen then being at a large discount. The earnings of the road, which in 1881 were but 39,058 yen, increased in 1883 to 100,289 yen. When first opened in November, 1880, it was completed only to Sapporo. It was finished on to Yebetsu in June, 1882, and in November of the same year to its terminus at Poronai.

All railways in the Empire are the property of the Government, and all seem to be profitable enterprises.

Too much cannot be said in praise of the enlightened policy of the Government in building these structures, which add so much to the commerce and wealth of the people. A very large portion of the country, however, is inaccessible to railways, and there good roads are an important necessity. Every friend of Japan is looking eagerly for these important improvements.

But about one-fourth of the available land is under cultivation, markets are too difficult to reach by means of the mere trails through the mountains, and no inducement is held out for the production of any increased amount of cereals. With good roads all this would change, and then, with the introduction of plentiful and cheap fertilizers, the agricultural products of Japan would increase a hundred-fold, and she would occupy no inconsiderable place among the grain-exporting nations of the world.

THOS. B. VAN BUREN,
Consul-General.

UNITED STATES CONSULATE,
Kanagawa, June 12, 1884.

COMMERCE OF THE HAWAIIAN ISLANDS.

REPORT BY MINISTER DAGGETT, OF HONOLULU.

I have the honor to inclose herewith a copy of the report of the Hawaiian collector-general for the year 1883. It embraces a complete statement of the imports and exports of the Hawaiian Islands for 1883, together with details fully exhibiting the sources of Hawaiian trade, the operations of the reciprocity treaty, the commercial condition of the country, population, movement, &c. The report shows the import of the year to have been of the value of \$5,624,240.09, an increase of \$649,730.08 over 1882, of which the United States contributed to the value of \$4,048,466.79, equal to 72 per cent. of the whole.

The total value of imports from the United States admitted free of duty under the treaty was \$3,169,415.70, against \$2,788,974.63 in 1882, an increase of \$380,441.07.

The exports of the year amounted to \$8,133,343.88, a decrease of \$161,204.23 from 1882, an excess of exports over imports of \$2,509,183.79.

With the exception of a very small percentage the exports were wholly to the United States. The falling off in the exports of the year may be traced partly to an export decrease from 1882 of 70,783 pounds of sugar, 27,296 gallons of molasses, 45,646 pounds of tallow, and 210,642 pounds of wool, and partly to a slight decline in the commercial values of some of the articles of exports.

In 1883 something over 21 per cent. of imports from the United States paid duties, while in 1882 the proportion was only about 18 per cent. This proportionate increase in duty-paying imports from the United States is mainly due, I think, to an increase in the spirit and liquor import, amounting to 98,605 gallons over 1882.

During the year 267 merchant vessels of all classes arrived at Hawaiian ports, of which 195 were American, 23 Hawaiian, and 49 of all other nationalities. In 1882, 258 vessels arrived, 179 of which were American. While there was an increase over 1882 of but 8 in the whole number of arrivals, there was an increase of 16 in American vessels.

The arrivals in 1883 amounted to 10,987 persons of both sexes and all ages; and the departures were 3,535, showing an increase of population from this source of 7,452. Of this increase 3,187 were Chinese, and 3,801 Portuguese, leaving but 464 for other nationalities. The increase from immigration in 1882 was but 2,877.

The number of vessels carrying Hawaiian registers at the close of 1883 was 64, of which 12 were steamers, an increase of 4 during the year.

The amount of customs duties collected was \$577,332, being \$71,941.89 in excess of 1882.

ROLLIN M. DAGGETT,
Minister.

LEGATION OF THE UNITED STATES,
Honolulu, March 15, 1884.

HAWAIIAN EXPORTS.

REPORT BY MINISTER DAGGETT.

I beg to inclose herewith copies of exhibits of the principal domestic exports from Honolulu for the second quarter of 1884, with statements comparative with the exports of the first and second quarters of 1883.

The comparison shows an increase in sugar shipment, but a decrease in every other commodity except fungus, and a decrease of \$380,389.66 in value.

ROLLIN M. DAGGETT,
Minister.

LEGATION OF THE UNITED STATES,
Honolulu, July 8, 1884.

Table of the principal domestic exports from Honolulu, second quarter 1884, as compared with second quarter 1883; also, for six months 1884, as compared with six months 1883.

Articles.	Second quarter.			
	1884.	1883.	Increase.	Decrease.
Sugar.....pounds..	40,822,147	41,152,618		330,471
Molasses.....gallons..	40,089	45,078		4,989
Paddy.....pounds..		104,936		104,936
Rice.....do	2,032,400	2,304,800		1,276,400
Coffee.....do	1,000	7,310		6,300
Fungus.....do	1,721	1,250	471	
Bananas.....bunches..	17,726	29,475		11,749
Goat-skins.....pieces..	7,106	9,710		2,604
Hides.....do	3,846	5,089		1,243
Tallow.....pounds..	2,864	7,000		4,136
Wool.....do	40,730	101,195		60,465
Betel leaves.....boxes	88	746		658
Calf-skins.....pieces..		113		113
Sheep-skins.....do	1,375	1,954		579
Value.....	\$2,223,630 50	\$2,767,636 88		\$539,006 38

Articles.	Six months.			
	1884.	1883.	Increase.	Decrease.
Sugar.....pounds..	74,841,858	69,166,115	5,675,743	
Molasses.....gallons..	70,049	82,034		11,985
Paddy.....pounds..	46,724	104,936		58,212
Rice.....do	4,618,800	5,910,800		1,292,000
Coffee.....do	1,800	15,782		14,182
Fungus.....do	1,721	1,250	471	
Bananas.....bunches..	29,462	38,137		8,675
Goat-skins.....pieces..	11,643	15,374		3,731
Hides.....do	8,744	27,967		19,223
Tallow.....pounds..	2,864	14,815		11,951
Wool.....do	90,811	112,283		21,472
Betel leaves.....boxes		849		849
Calf-skins.....pieces..	62	190		128
Sheep-skins.....do	3,160	4,004		844
Value.....	\$4,340,937 68	\$4,721,327 34		\$380,389 66

THE TRANSVAAL—ITS PEOPLE, TRADE, AND RESOURCES.

REPORT BY CONSUL ECKSTEIN, OF AMSTERDAM.

I have the honor to transmit herewith a translated proof-copy kindly furnished me by J. H. de Busmy, esq., editor of the *Indian Mercury*, published at Amsterdam, which purports to contain an account of the proceedings of a special meeting held in this city about two weeks ago by the Electors' Union (*Kusvereiniging*) named Citizens-Duty and for the purpose of affording an opportunity to a deputation from the South African Republic of Transvaal, then and still sojourning here, to discuss subjects and enlighten the public on matters of interest pertaining to their country.

The deputation referred to is composed of the following-named gentlemen: The Hon. S. J. P. Kruger, President South African Republic; General N. J. Smit, general South African Republic, and Hon. S. J. du Toit, superintendent of education South African Republic. Two secretaries accompany them.

The deputation arrived in this country a month ago from England, where previously they negotiated a new convention with the Govern-

ment of that country. Their reception in the Netherlands, and the honors done them up to this time, were and are of such a character as must certainly far surpass their expectations. Ovations of every description have been showered upon them by municipal authorities, societies, institutions, and corporations, and by the general public in various parts of the country.

However, whether they will accomplish their principal object and aim in coming to Holland, namely, to receive substantial financial aid and assistance from bankers and capitalists here, remains still to be seen, although present indications justify the expectation that, in a measure, they will be successful.

As I am now most credibly informed, it depends only upon necessary and prior understanding with the Portuguese Government, which at a very early day is expected to be arrived at, when a company will be formed here and a capital of £500,000 raised to be employed in beginning and carrying on railway construction from Delagoa Bay, some 50 miles through Portuguese territory, to the borders of the Transvaal, to Leydenburg, and ultimately to Pretoria.

It is now announced in the newspapers here that the deputation, when leaving Holland, intends to visit Germany, France, and other European countries for the purpose of negotiating certain treaties.

To the paper herewith transmitted I would respectfully invite the Department's particular attention, in the belief that it contains information of sufficient importance to deserve it. In this connection I would also venture the respectful suggestion that the Department may consider whether it would not be advisable and expedient for our Government to appoint a consul or commercial agent for the South African Republic. It may safely be assumed that, if this should be done, it would be regarded by the Government and people of the Transvaal as a strong encouragement to them in their efforts to maintain the idea of republican government in South Africa, and as sustaining and upholding them in their dearly bought and now established independence.

Besides this, might it not be that certain and, possibly, great advantages could result from such action to individual and enterprising American citizens who may in the near future find their way to South Africa and the Transvaal, or who might desire to interest themselves in the development of the resources of that country or in establishing trade and commerce there.

D. ECKSTEIN,
Consul.

UNITED STATES CONSULATE,
Amsterdam, April 12, 1884.

[Inclosure in Consul Eckstein's report.]

THE TRANSVAAL DEPUTATION IN HOLLAND.

It was an excellent idea of the Electors' Union ("*Burgerpligt*") to invite the Transvaal deputation to discuss at a public meeting the interests of their country and people. And the best proof that we are right in saying so is, that the meeting was attended by hundreds, who came to show their interest in the welfare of the Transvaal.

Indeed, on this occasion the room of the "*Vrije Gemeente*" was none too large. Already from 6 o'clock the people were flocking in in crowds till just turned seven, when the Transvaal deputation, accompanied by the committee of "*Burgerpligt*," entered the room, and were spontaneously greeted by from 1,200 to 1,300 people, all rising to show their respect for the triumvirate.

The meeting was opened by Mr. J. A. Levy, president of the Electors' Union.

He addressed the deputation in about the following words:

Permit me to bid you a hearty welcome in our midst, which I do in the name of the Union, whose mouthpiece I am, and never did I feel it to be a greater honor to speak in their name, that is, in the name of the members of this Union, than I do this evening.

No banquet awaits you here. We did not think it the calling of this Union, nor does it lie in our way, to invite you to banquetings, you who have already been so much fêted.

It appeared to us that you would be content to lay aside your court dress, and come amongst us as citizens of a kindred people, to enlighten us with regard to your welfare, branches of trade and commerce; their advantages and development; your relations with foreign countries; in a word, with regard to whatever concerns the political economy and future of your people, who, thanks to your brave conduct, now hold a place amongst independent nations.

You have accepted our invitation; you are come; and you see here by the numbers present the interest we take in this most important subject.

Hereupon the president called on Mr. du Toit, who spoke in the name of the triumvirate on this occasion.

Mr. du Toit, on rising, was received with cheers.

Ladies and gentlemen—thus he began—ladies and gentlemen, for I see ladies also present, and it does me good to see that they also take an interest in my country, we were very glad to find that no feasting awaited us here and that the evening was to be devoted to serious business: that we were to have an interesting discussion on the resources and prospects of the Transvaal.

In a measure I must ask for your indulgence, as this is no studied speech I am about to make. I have, then, only taken upon myself to speak here this evening because we know that no feasting awaited us, which, however pleasant it may be, is a great obstacle in the way of a carefully arranged set of facts such as you require from me, and consumes much time.

The conditions on which we accepted this invitation were that one of the members of the deputation should make a speech bearing on the question to be discussed, and then afterwards those interested might ask us any questions they pleased.

In this way we thought our purpose would best be answered with regard to giving information about our country.

The sympathy and homage with which we have been received has done us much good. Still it is necessary to turn our time to more practical account. The sympathy was well meant, but it is still more to the purpose when people wish to know more of our affairs. We come here like a younger brother, who has been absent for a long time, and then returns to the elder brother again. Then the elder brother gives a feast and there are rejoicings; but after awhile he says: "Come, my boy, now tell me how your business goes on?" [Laughter and applause.]

We have enjoyed your sympathy in our struggle for nationality in South Africa. Still our struggle did not begin at Spita kop, neither did it end there. Our strife has been threefold.

The first and the most obvious was the struggle against the Redbreasts. In this strife our elder brother could not help us, at least not directly.

And now it is very pleasant and agreeable that the elder brother comes to us and says: "Well done," but in the second strife, wherein he can help us, we expect from him more than simple praise; now we hope he will help us. Let us see what will happen. [Laughter.]

Our greatest struggle is that for education, civilization, and science—call it what you will.

The entire education of the people was in the hands of the suzerain. His language was the language of the schools, prescribed by law; his language was the medium of the laws, and as in the courts of justice it was heard in all public offices. And not only was it so with the language. In fact, the whole intention of the education given in the schools was to "denationalize"—if I may use the word—the rising generation.

The strife against this began years ago in Cape Colony. In Parliament and in the schools our language is now recognized; now it is spoken in the courts of law, at the railway stations, and in public offices.

Yet more. The men who were destined for affairs of state must be educated at English colleges, where not general history, but the history of England was taught, where England is made the pivot on which everything turns. At this moment there are one hundred and twenty students on the other side of the Channel.

Now in this struggle Holland can help us.

I have put this question to several persons, and discussed it with people competent to give an opinion, and in whom we have confidence. We have asked them: Cannot Holland help us in this and serve us with intellectual power? I hope the result will be that we shall send our sons to the mother country, there to enjoy a good education,

to study at your universities, because in this sense intellectual power will be drawn from you. [Applause.]

The worthy old man Professor Harting, whose name is always mentioned among us with gratitude [applause], has taken up this matter with great zeal.

And now the third struggle. In this you can help above all. Our suzerain has monopolized the trade and industry in South Africa; the railways, the telegraphs, the mines, are all in the hands of Britons. What little is done is done by them. Now we should like to compete with them. Where the English are laying so many railways, we should like our older brother to say, 'Well, we will also put one down.'

And now you will say, Tell us a little about your business in the Transvaal.

The same question was asked us in Cape Colony. There no one asks why the Transvaal is not yet more developed.

Well, now, the best recommendation for the Transvaal is certainly that the land is what it is at present. When you reflect that the country has never had three years of peaceful development, that it has had so many and difficult struggles, then you will agree with me that it must be a good country, otherwise it would not be inhabited at present.

In spite of our struggles we have constantly advanced. A few ciphers will prove this. In 1878 the state income was £105,130; when the Transvaal was under the English, "flourishing." In 1882, in the newly-organized state after the war, it amounted to £263,523; in 1883, to £312,442. Thus in the space of five years an advance from £105,000 to £312,000, in years of trial and difficulty. And our debt? Large it is not.

We owed Great Britain £381,000; and from this account £131,000 has been struck off, so that we have £250,000 still to pay. The debt of the former railway loan, partly paid off, amounts still to £80,000. Then we owe the "*Kaapsche Handelsbank*" *pro rata* of the £60,000 we borrowed from them to change our paper into specie, £30,000. Our whole debt amounts to £360,000.

Thus the income for one year is nearly equal to our whole debt.

Now, what does our debt cost us yearly? To the British Government we pay 3½ per cent.; for the sinking fund together, 6 per cent., that is yearly £15,100. The Dutch railway loan costs us £4,000 per year, while from the last augmentation for the regular paying off, £2,666 has been deducted.

The Handelsbank loan costs 6 per cent., £1,800 per year; the interest on our debt, together with the sinking fund, amounts to, in round numbers, £22,000 per year.

Now, I leave you to draw your own conclusions; there are many here who understand figures better than I do.

I prefer to say something about the future and to answer this question: Is the Transvaal capable of improvement? What are its resources? In the first place—agriculture is the chief work there. More I cannot say than that it is capable of improvement. Our country is as large as France, and is cultivated by from 50,000 to 60,000 white men. And for agriculture and cattle-breeding our land is most suitable. We have both high and low districts; the northern part lies low; there the climate is subtropical and extremely suitable for agriculture. Many sorts of wild fruit grow there, as if nature would say, "Plant here also *tame* fruits; I have shown you the way."

The southern part of the country is a plateau; there nature has shown how suitable it is for rearing cattle, since it swarmed with antelopes. And the Boers, ever attentive to nature's instruction, were wise enough to follow her directions; to make arable land where the country is most suitable for it, and to rear cattle where they are most likely to thrive. The Transvaal, by the double nature of its climate, offers a splendid field to the agriculturist, for subtropical plants grow there as well as plants from this part of the world.

And yet little has been done for agriculture; we have no market. The Boer's labor would not be rewarded if he planted more than his own necessities demand. And, therefore, I repeat what our worthy president said to the Netherlands not long ago: Why should you steal so much land from the water? We have land enough and to spare. [Applause.]

Industry we have none. How much more would our country produce if we had? The coffee tree grows wild with us, and yet the Boer has too much to do to pluck coffee. Nowhere does the tobacco plant grow so well as in the Transvaal; it is cut twice a year, and yet stands higher than a man. Well, now, whilst tobacco costs 3 pence a pound, we pay a shilling for a cigar, thus as much as for four pounds of tobacco.

With regard to trade, "the nation of shopkeepers"—the expression is Napoleon's—has shops in abundance in the Transvaal; thus trade has extended further than one thinks in the Transvaal, into the heart of South Africa. We have carefully examined into the question of trade; we consulted the Chamber of Commerce at Pretoria, and got a report from the receiver of import duties, which has been approved by the Volksraad. According to this report the imports into the Transvaal amount to £1,000,000 a year.

And, to conclude, the mining industry. The English are excellently well informed about our mines, the newspapers are full of them, and many pamphlets have been published about them. Probably our mineral riches are better known to the English than to ourselves.

We have gold, silver, copper, iron, lead. So far, nothing has been done to work these mines except by the Britons. I don't think much of mine-working myself; I believe in a thinly populated country the miners often do more harm than good, and yet I must acknowledge that our mines are a great resource to the Transvaal.

And now to answer the question, which you have certainly asked us in your own minds already: What is our object?

It is answered in two words—we want a bank and a railway to Delagoa Bay, whereby Pretoria, the center of South Africa, will be connected with the best harbor in South Africa.

This railway is a question of life or death in the development of our trade and country. I recommend it to the consideration of the public in the Netherlands, and call your attention to the fact that the plans for it have been laid before experts by the deputation. Will the sympathy of Holland for the Transvaal really bear fruit for yourselves and for the South African Republic? We hope we shall not hold out our hand to the elder brother in vain. When the railway is once made, then I hope a line of steamers will come into existence between Delagoa Bay and this town. Nearly the whole world is connected by steamers and railways; why not the Netherlands with the Transvaal? [Applause.]

We see here in the town: "Exportation to India." When shall we see in Amsterdam and Rotterdam and all the commercial towns, "Exportation to the Transvaal?" [Applause.]

Will it come to this? It is possible. But we are young, weak, and poor, and are here to say to our elder brother: Help us to open up the way by which this may come!

On resuming his seat the speaker was greeted by rounds of applause.

The president then gave an opportunity to those who desired it to put questions.

Armand Sassen was the first to avail himself of the permission. He asked a question about the taxes in the Transvaal.

Mr. Du Toit answered by giving a specified account of last year's income.

The import duties amounted to £40,000; land-rent brought in £15,000. The land-holders pay for 3,750 acres of land £1.10.

For the railway a tax of £14,000 is paid; signioral rights pay £30,000; licenses, £120,000; the hut-tax, £75,000. The Kaffer hut-tax is raised on 800,000 aboriginals, who, when they live in large tribes, receive twelve acres per household, or if they live with a Boer get a piece of land from him. They pay 10 shillings per hut. These are the principal items of the revenue.

The taxes are collected by the officials, the governors, or the constabably. For the import duties special officers are appointed on the boundaries. As said above, over one million pounds' worth of goods are imported. And when that is compared with tax raised on it, then it is obvious much escapes untaxed. If they had a railway it would be much easier to collect this tax.

Mr. A. Polak would like to ask his younger brother whether the accusation made by the lord mayor of London about the Transvaalers having slaves amongst them were true.

The president requested Mr. Du Toit to repudiate this accusation once more, though it had already been repeatedly contradicted. [Applause.]

Mr. Du Toit was glad to have this question put to him. The calumny had been often enough contradicted, still this cannot, perhaps, be done too often.

When the first "*Trekkers*" entered the land, Mosilikatze was murdering and devastating the country. Nearly the whole country and people were destroyed by him, and avaricious for more cattle, he marched into the Orange Free States, which he attacked by surprise. The Boers simply drove him out in self-defense.

The largest number of aboriginals forty years ago did not amount to more than 15,000 to 20,000; in the time of the English the number of Kaffers in the Transvaal was estimated at 700,000 to 800,000. Had the Kaffers been ill-treated the increase could not have been so great. No; on the contrary, many tribes had been driven out by the tyranny of Mosilikatze, but returned when they knew the country to be occupied by the Boers. To this day there is a constant immigration of aboriginals into the Transvaal.

Another fact. England annexed the Transvaal very suddenly. All the offices and books came into the hands of the English; yet they never did anything to remedy the injustice so much talked of. They did indeed take trouble to find out whether there was not anything they could blame, but during the three years they occupied the country they did not set a single slave free. [Applause.] In the English Parliament some one who understood the injustice of such an accusation, offered £10 for every slave to be found in the Transvaal. He has not yet got one. Nay, more.

After the occupation we must set free 800 Kaffers who were "registered" by the English against the laws of the land; indeed, we will not have families divided; grown people were registered by the English people for three years; children till they were of age. Thus they remained longer on the register than the others, and were separated from their parents.

The men by whom these bad reports about us have been set abroad, I am sorry to say it, were chiefly missionaries. And he who preceded them was Livingstone. He lived in the west of the Transvaal. Robbery and murder were of frequent occurrence there. And when the Boers captured a Kaffer kraal, it turned out that the missionary house was a shop for fire-arms; nay, there was even a manufactory of arms.

Now, we reverence God and His word, and we would not have attacked the missionary house; but for a manufactory of fire-arms under its protection we have no respect. Hence all this hatred. [Great applause.]

Under our present government more than fifty missionaries are at work. When the first Trekkers crossed the Oranje River, under a tree assembled, they laid down the fundamental laws, for no land can exist without laws. And the first article of these laws said no slavery shall exist amongst us; and we wish to be free ourselves; also, the Kaffers must be free.

Thus the Britons are not very practical, nor do they seem to know much about us, when they would say to us, a young nation, you shall have no slaves amongst you, to us, whose fundamental laws forbid slavery to this day. We will be free ourselves, and we will have no slaves. [Tremendous applause.]

Mr. J. C. van den Berg asked for information about the customs and clothing of the natives; how trade is done; whether money is paid or an exchange made, and whether they had bills of exchange in the Transvaal.

Mr. Du Toit answered that the necessities of the Kaffers were not small; one must remember their numbers, and that many of them work. In the diamond fields, for instance, from 10,000 to 20,000 Kaffers are employed, who receive pretty high wages and don't understand saving. The trade with the Kaffers has more than doubled within the last three or four years.

The Kaffers begin already to wear clothes. And now—but this I whisper to you, that it may not be heard on the other side of the channel—there is a possibility of a law being made that the Kaffers must wear clothing. Yet I need not whisper it, the English cannot take it amiss, for they will certainly have the advantage of it, since they supply us with much clothing material. [Hilarity.] Nine merchants imported into the country from Natal to Pretoria 1,528 tons of goods, valued at £54,923, in the year 1879.

Thus there is, indeed, great demand.

There are articles enough in South Africa wherewith to do trade with Europe, and money can be remitted through the Standard Bank.

Mr. Van den Berg was not quite satisfied; he wished to know whether the merchants gave large credit to the Kaffers.

Mr. Du Toit answered that with the Kaffers it was a ready money trade.

Mr. A. G. C. van Duyl referred to the subject of emigration to the Transvaal.

In answer to this question, Mr. Du Toit said: As soon as the railway is open then emigration will be a blessing for our land. At present it is not to be recommended, for strangers cannot get on so well there as the Boers.

The Government has appointed an emigration commission; also there is a commission here, which works in harmony with the one at Pretoria. If the commission here will take care to send the right men, that in the Transvaal, of which the speaker is president, will afford them assistance.

At present a great influx of emigrants is not desirable. But the Transvaal needs them gradually coming in; above all, vigorous, youthful farmers and workmen would be a blessing to the land.

The emigration commission intends to make this better known through the papers, and by means of pamphlets on the subject.

Mr. G. A. van Hamal wishes to know, with regard to the railway to Delagoa Bay, how the Transvaal stood with Portugal.

Mr. du Toit answered that in 1876 Burgers had signed a contract with Portugal, which contained many advantages for the Transvaal, but it had not yet been ratified.

It was the business of the deputation to work on this basis.

It could not be otherwise than advantageous to the Transvaal. Whilst in Natal a duty of 7-15 per cent. was paid, they would only have to pay 3 per cent. at Delagoa Bay. He (speaker) did not think that Portugal would withdraw any of the advantages formerly promised, but would rather grant more favorable terms as to the time over which the contract extended.

Herewith "questions and answers" finished. The simplicity of du Toit's manner of speaking and the familiar way in which Krüger now and then pulled him by the sleeve to draw his attention to some point, seemed to make an excellent impression on the audience.

With a few words the president, Mr. J. A. Levy, brought the meeting to a close. He said the speech made to them was full of matters of fact, and he wished to express his most hearty thanks to the speaker for the excellent manner in which he had laid them before the meeting. [Applause.] It was to be hoped that the discussion of social and economical facts in this meeting would not be unproductive of good.

Besides other facts of importance, we have heard from the lips of the deputies that it is their desire to lessen the English influence by having their children taught in the native tongue.

That our people understand the significance of this, the spontaneous enthusiasm with which the deputies have everywhere been received has been plainly shown.

Not, however, alone at public banquets has this been the case, but also the large multitudes who flocked to greet the deputies in the streets have shown their appreciation.

What the Transvaal needs we have heard; how these demands are to be complied with it is not for me to say at present.

Allow me only to express the desire that this meeting may have opened people's eyes, and encouraged them to proceed in the right direction.

I have but one more request to make. That request is, that the members of the Transvaal deputation will bear our greetings back new line to those brave men in their Fatherland who have planted freedom's tree, under the shadow of which the rising state of the Transvaal shall thrive to maturity; to those men, who in a brave struggle for the Fatherland have said to presumptuous Albion: So far and no further; to those men who know how to make themselves respected by both friend and foe, nay, have forced them to respect Old Holland. [Deafening applause.]

After the meeting the deputation supped with the students of the "*Vrije Universiteit*" in the Amstel Hotel.

SHIPWRECKS IN COREA.

REPORT BY MINISTER FOOTE, OF COREA.

I have the honor to transmit herewith the copy of the decree promulgated by the Korean Government, together with a translation of the same, denoting certain signals to be made by vessels in distress, and enjoining Korean officials and people to take measures to save life and property from shipwrecked vessels.

LUCIUS H. FOOTE,
Minister.

LEGATION OF THE UNITED STATES,
Seoul, Corea, April 2, 1884.

PROCLAMATION.

Min Yong Mok, president of the Korean foreign office, hereby gives notice that five regulations have been determined upon in the foreign office, for the purpose of saving the lives of shipwrecked seamen, assisting vessels in distress, and preserving and rescuing property.

These regulations have been sanctioned by His Majesty and the Korean officials; and people, particularly of the provinces adjacent to the sea, are hereby enjoined to take heed thereof.

1. Whenever a vessel is in distress off the Korean coast she should hoist a white flag during the daytime, and two lanterns at night. Persons seeing such signals are directed to report the same at once to the chief man of the nearest village, who will call the people together and endeavor to aid the distressed vessel; he will also at once dispatch a messenger to the governor of the district, who is directed to repair in person to the place, with his police force, that he may render all possible assistance. It is proper that all necessary expenses incurred in saving life or property should be borne by the vessel, but in no instance should the officials ask for or demand the same.

2. The governor of a district who shall have been instrumental in saving the lives of ten men, and property of the value of one million cash (1,000,000), or more, shall be entitled to a reward whenever the fact is made known to the foreign office through the governor of the province, or whenever a foreign consul shall report the same to the Korean commissioner of customs; and the chief man of a village or any individual who particularly exerts himself in saving life and property shall be rewarded; but if a Korean official or any individual disregard this decree, and act with indifference in such cases, he shall be severely punished. The man who first discovers and reports a vessel in distress shall be entitled to a reward of three thousand cash, if the vessel is of large size, and one thousand cash if she is of small size.

3. Persons must not attempt to go on board of a vessel in distress without the permission of the captain or commanding officer, and whatever is done must be done in compliance with his will. If any person attempt to remove goods from the vessel without permission, this fact must be reported to the Korean officials.

4. The governor of the district where a vessel may be wrecked should at once notify the consul of the country to which the vessel belongs, and with his assistance should carefully take an account of the property saved and estimate its value, reserving one-third thereof, to be sold for the payment of expenses and rewards. In case no lives are saved, and only property, the governor will carefully consult with the foreign consul in relation to it, and if it so happen that lives are saved, and no property, the governor will provide the necessary food and clothing and escort them to the nearest consul of the country to which they belong, who will refund to him the expenses incurred. If, however, the country to which they belong has no consular officers in Corea, the governor will, in addition, supply such shipwrecked persons with money to return to their own country, and report the same to the Korean foreign office. In case the vessel cannot pay the necessary expenses and rewards for saving life and property, the governor will make the payments, and report the amount to the Korean commissioner of customs, who will refund the same.

5. The governors and officials of the coast provinces are enjoined to make this proclamation known to their people, that they may understand that they will be rewarded if they render assistance to vessels in distress, and that they will be punished if they do not.

Done in the four hundred and ninety-second year, ninth month, of the Tyoseun Dynasty.

AUSTRALASIA : ITS PEOPLE, PRODUCTS, AND COMMERCE.

REPORT BY CONSUL-GENERAL SPENCER, OF MELBOURNE.

I.—AGRICULTURE.
II.—MANUFACTURES.
III.—MINES.
IV.—FISHERIES.

V.—FORESTRY.
VI.—COMMERCE.
VII.—PUBLIC REVENUE AND EXPENDITURE.

INTRODUCTORY STATISTICS.

Colonial federation.—The federation of the Australasian colonies, so auspiciously begun, will in all probability constitute a new era in their commercial as well as in their political prosperity. Hitherto they have regarded each other rather in the light of rival commonwealths than that of sister states. Provincial jealousies and rival interests that find their expression in differential railway rates and unfriendly tariffs interposed the most serious obstacles to the proposed union; but a commencement has been made; a single step has been taken; but it is a long one, and in the right direction.

The Australasian convention, recently held in Sydney for the purpose of considering the subject of annexation in the Western Pacific, together with the question of Australasian federation, adopted a scheme for the establishment of a federal council which will be submitted to the several colonial legislatures for their approval, when application will be made to the Imperial Parliament for an act enabling the colonies to elect such a council, the same to be endowed with legislative powers.

The principal provisions of the bill are that the council is to consist of fourteen members, two for each of the colonies, with the exception of the Crown colonies (Western Australia and Fiji), which are to be entitled to one member each, said members to be appointed in such manner as the legislature of any colony may deem proper. Any four colonies can inaugurate the federal council, with the right reserved to the other colonies to join the union afterwards, its power being limited to matters affecting those colonies only that appoint representatives. With respect to its functions, powers, and authority the federal council is empowered to exercise legislative authority over all Her Majesty's possessions in Australasia and over all British ships sailing between them, as respects the several matters hereinafter enumerated.

1. The relations of Australasia with the islands in the Pacific.
2. Prevention of the influx of criminals.
3. Fisheries in Australasian waters beyond territorial limits.
4. The service of civil process in the courts of any colony within Her Majesty's possessions in Australasia out of the jurisdiction of the colony in which it is issued.
5. The enforcement of judgments of courts of law of any colony beyond the limits of the colony.
6. The enforcement of criminal process beyond the limits of the colony in which it is issued and the extradition of offenders (including deserters of wives and children) and deserters from the imperial or colonial naval or military forces.

7. The custody of offenders on board of ships belonging to Her Majesty's colonial governments beyond territorial limits.

8. Such of the following matters as may be referred to the council by the legislatures of any two or more colonies, that is to say, general defenses, quarantine, patents of invention and discovery, copyright, bills of exchange and promissory notes, uniformity of weights and measures, recognition in other colonies of any marriage or divorce duly solemnized or decreed in any colony, naturalization and aliens, status of corporations and joint stock companies in other colonies than that in which they have been constituted, and any other matter of general Australasian interest with respect to which the legislatures of the several colonies can legislate within their own limits, and as to which it is deemed desirable that there should be a law of general application; provided that in such cases the acts of the council shall extend only to the colonies by whose legislatures the matters shall have been so referred to it and such other colonies as may afterwards adopt the same.

The action of the convention is not to be regarded as a finality. The federal council will probably develop into a federal legislature, and the corner-stone of Australian unity thus laid may prove to be the basis of a grand Australian Dominion. In any event, there appears to be a growing impression that the federal convention is destined to mark a noteworthy epoch in the commercial prosperity as well as in the political history of the Australasian colonies.

Population.—The area of the several Australasian colonies, with their estimated population on the 31st of December, 1882, will appear from the subjoined table:

Colony.	Area in square miles.	Estimated population.			Number of—	
		Males.	Females.	Total.	Males to 100 females.	Females to 100 males.
Victoria	87,884	477,475	428,750	*906,225	111.86	89.80
New South Wales	809,175	449,342	368,126	†817,468	122.06	81.93
Queensland	668,224	145,692	102,663	248,255	141.82	70.51
South Australia	903,425	155,335	138,174	‡293,509	112.42	88.95
Western Australia	975,920	17,651	13,215	30,766	132.81	75.29
Total	2,944,628	1,245,295	1,050,928	2,296,223	118.49	84.39
Tasmania	26,375	65,131	57,348	122,479	113.67	88.05
New Zealand	104,027	283,303	234,404	517,707	120.86	82.74
Grand total	3,075,030	1,593,729	1,342,680	2,936,409	118.70	81.25

* On the 30th June, 1883, the estimated population of Victoria was 915,948, viz, 482,932 males and 433,016 females.

† On the 30th June, 1883, the estimated population of New South Wales was 840,614, viz, 463,296 males and 377,316 females.

‡ In August, 1883, the estimated total population of South Australia was 305,596.

Colony.	Number of emigrants.			Excess of immigrants over emigrants.			Excess of emigrants over immigrants.	
	Males.	Females.	Total.	Males.	Females.	Total.	Males.	Females.
Victoria	33,677	14,847	48,524	7,541	3,339	10,880		
New South Wales	20,114	7,858	27,972	12,573	6,744	19,317		
Queensland	7,531	2,426	9,957	11,091	5,952	17,043		
South Australia	10,108	4,028	14,136		876	734	142	
Western Australia			838			94		
Total			101,427			48,068		
Tasmania	7,891	3,512	11,403	929	490	1,419		
New Zealand	5,082	2,374	7,456	1,960	1,529	3,489		
Grand total			120,286			52,976		

I.—AGRICULTURE.

The laws regulating the disposal of Crown lands for agricultural purposes differ materially in the several Australasian colonies. This will appear from the accompanying table, in which is clearly set forth the principal features of the various colonial land systems.

Conditions of selection.	Maximum area allowed.	Price per acre.	Time over which purchase may extend.	Minimum time in which fee-simple may be acquired.	Annual payment per acre.	Value of necessary improvements per acre.	Time allowed for making improvements.	Acres in every 100 to be cultivated.	Period of residence necessary.
	<i>Acres.</i>		<i>Years.</i>	<i>Years.</i>			<i>Years.</i>		<i>Years.</i>
Victoria.....	320	£1	20	6	1s.	20s.	6	10	5
New South Wales†.....	640	£1	28	5	1s.	10s.	5		5
Queensland:‡									
Homesteads.....	120 to 1,280	2s. 6d.	5	5	6d.	7s. 6d. to 10s.	5		5
Other selections....	640 to 5,120	£2 to 7s. 6d.	10	3	4s. to 9d.	7s. 6d. to 10s.	10		10
South Australia§.....	640 to 1,000	£1	20	6		10s.	4	20	20
Western Australia||.....	No limit.	10s.	10	Any time.	1s.		10	25	2½
Tasmania¶.....	320	£1	14	Any time.	2s.				14
New Zealand**.....	320	£1	10	3	2s.	20s.	6	20	6

* In Tasmania married women may select land.

† In New South Wales the selector is permitted to occupy, in addition, three times the area selected as a "grazing right," at an annual rental of £2 per 640 acres. The price per acre does not include interest, for which 5 per cent. per annum is added. For the first term of three years 5s. per acre is payable in advance.

‡ In Queensland, within the limits named, the maximum area allowed to be selected may be varied in any district by the Government.

§ In South Australia the maximum allowed to be selected is, of reclaimed land 640 acres, and of country or improved land 1,000 acres. The price per acre does not include purchase money, for which about 3½ per cent. per annum is added.

|| In Western Australia the necessary improvements are not assessed according to value. The condition is that the selected land shall be fenced and one-fourth cultivated. The time allowed for making improvements may be extended if the selector continues to pay the annual license fee.

¶ In Tasmania 32½ per cent. is added to the price as interest for the period of fourteen years.

** In New Zealand the price per acre varies with the quality of the land. There is, besides, a system of "perpetual leasing" in New Zealand, under which as much as 640 acres may be leased at an annual rental equal to 5 per cent. of the value of the land. The first lease is for thirty years, with the option of renewal for succeeding periods of twenty-one years, the rent being assessed afresh at each renewal. Between the eighth and eleventh years the lessee may acquire the freehold if the land is not within a proclaimed gold-field. The conditions as regards residence and improvement are the same as under the deferred payment system.

†† In all the colonies, as soon as the purchase money is paid in full, the residence clause is no longer enforced. In Queensland (except in the case of homestead selections), South Australia, Western Australia, and New Zealand in the case of bush land personal residence is not necessary.

IRRIGATION.

During the last session of the Victorian parliament an act was passed entitled "The Victorian water conservation act of 1883," of which the following are the main provisions:

On the receipt of a petition signed by not less than three-fourths of the owners of land within any district therein specified, submitting a scheme for the irrigation thereof, and praying that such district be constituted an irrigation area under the provisions of the act, the minister may cause such district to be examined by one or more authorized and competent officers; and if such officers consider that the scheme for the supply of water to such district be satisfactory, they shall furnish a report which shall contain, among others, the following particulars:

1. The quantity of water available.
2. The area of land that may be beneficially irrigated.
3. The existing lakes, rivers, streams, or other sources of water-supply over which the local irrigation trust shall have control.
4. Plans and descriptions of the proposed irrigation area, and the works recommended for the supply of water to such area.
5. Estimates of the cost of the proposed works, together with the annual charges for maintenance and probable revenue.

All reports and plans are to be open for inspection for a period of thirty days, during which time the petitioners shall furnish the names of all owners and occupiers of land in the district, and the extent and estimated value of the land capable of being irrigated, such valuation being open to objection and revision.

After compliance with the provisions of the act an application for the constitution of an irrigation trust shall be made to the minister in such form as he may from time to time require, for submission to the governor in council, by at least three-fourths of the owners and other persons having a legal interest in at least two-thirds of the land in any such district.

If the governor in council approve of the construction of such works, he may constitute, by order in council, an irrigation trust to construct, maintain, and continue the whole or any part of the works therein described, in accordance with the provisions of the act.

Irrigation trusts shall be bodies corporate, with the privileges and powers appertaining thereunto.

The commissioners of every trust shall be elected by ballot by the owners of land within the irrigation area of such trust, each owner being entitled to one vote for every ten acres of land belonging to him within such area.

Subject to the provisions of the act, any trust may borrow money, and issue debentures, with coupons for interest attached, upon the security of the rates leviable in the irrigation area over which it exercises jurisdiction, and upon the lands and works of such trust.

The aggregate amount of money borrowed by any trust shall not at any time exceed 50 per cent. of the gross value of the land within the irrigation area of such trust, or exceed the amount specified in the order in council constituting such trust, and the amount of money subsequently borrowed to liquidate any such loan shall not exceed the balance of the principal moneys owing on account of such loan.

Every trust shall from time to time make and levy such rates upon all lands capable of irrigation within its irrigation area as are sufficient to defray the interest due upon any loan obtained by such trust, and to provide for the necessary annual payments to the sinking fund of

such loan, and also for all current expenses incurred by such trust in the control and management of such irrigation area.

Every such rate shall be made for one year, and shall be uniform in amount on the gross value of all lands capable of being irrigated in the irrigation area.

On the repayment of the amount advanced as a loan for the construction of any water-works, such works shall vest in the owners of the lands capable of irrigation within the irrigation area, and shall be managed by them subject to the provisions of the act.

PRODUCE OF THE CROPS.

The produce of the crops in the several colonies for 1882 shows a decided improvement on the previous year.

ACTUAL PRODUCTION.

Colony.	Wheat.	Oats.	Barley.	Maize.	Other Cereals.*	Potatoes.	Hay.	Wine.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Gallons.</i>
Victoria	8,761,464	4,446,027	758,477	131,620	712,751	129,665	827,385	518,763
New South Wales ..	4,042,895	617,485	133,050	4,057,635	20,447	43,461	242,921	543,596
Queensland	145,752	3,730	8,982	1,422,648	.....	14,861	36,690	88,476
South Australia	7,356,117	38,472	134,464	.....	42,668	16,133	104,370	347,340
Western Australia† ..	249,900	15,370	66,720	.....	5,265	667	25,950	.....
Total	20,545,618	5,121,064	1,101,693	5,611,903	781,131	204,727	787,325	1,496,175
Tasmania	946,889	788,713	89,739	.....	108,608	87,526	49,513	.....
New Zealand	10,270,591	10,520,428	737,163	.....	.....	104,581	75,764	.....
Grand total	31,763,098	16,430,205	1,928,595	5,611,908	889,739	346,334	863,602	1,496,175

PRODUCTION PER ACRE.

Colony.	Wheat.	Oats.	Barley.	Maize.	Other Cereals.*	Potatoes.	Hay.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Tons.</i>	<i>Tons.</i>
Victoria	9.08	26.17	17.85	43.71	25.48	3.78	1.06
New South Wales ..	16.35	24.38	20.55	34.33	16.00	3.00	1.85
Queensland	13.69	16.58	17.82	26.68	.....	2.90	1.67
South Australia	4.21	11.13	11.03	.....	11.57	3.05	.75
Western Australia† ..	11.00	15.00	14.00	.....	9.00	2.50	1.00
Total	6.92	25.68	16.28	32.21	23.13	3.44	1.09
Tasmania	20.27	27.34	27.79	.....	20.48	3.88	1.30
New Zealand	26.28	32.89	26.19	.....	.....	5.10	1.24
Grand total	9.25	29.98	19.47	32.21	22.77	3.87	1.11

* Including beans and peas, except in the case of New South Wales.

† The produce of crops given for Western Australia is the result of an estimate made by the Government of that colony, which may perhaps be wide of the truth.

In Victoria the appearance of this year's crop is, for the most part, highly promising. The aggregate yield of wheat bids fair to be by far the largest that has ever been harvested in the colony, about 230,000 tons of which will be available for the foreign market.

In South Australia a good harvest is anticipated, and if no adverse circumstances affect the crops it is estimated that there will be a general average of 12 bushels per acre, and that 540,000 tons of cereals will be available for exportation.

In New South Wales both farmers and pastoralists are in high spirits, and anticipate the most favorable results.

In Queensland, however, immense losses of sheep and cattle have occurred in consequence of the severe and long-continued drought.

PHYLLOXERA.

The secretary for agriculture furnishes the following account of the visitation of the phylloxera, and the measures adopted for its suppression in Victoria:

The vine disease caused by the insect known as *Phylloxera vastatrix* made its appearance known in the Geelong district by a decadence of vigor in the vines in small patches in different parts of the vineyard, i. e., by a want of strength, and presenting a sickly appearance. The leaves afterwards became yellow round the edges, the plants sickened still further, and after a few years died completely. It was in or about the year 1875 that the disease commenced to demonstrate itself. As the vines died out, they were frequently replaced by others on the same spot by the vignerons, and these vines and cuttings likewise died. The origin of the disease is believed to have arisen by the importation of vines. When vines are diseased the roots become covered with patches of a yellow orange color, when viewed with the naked eye, and the rootlets have at their terminal points and at other parts nodules or swellings; in the fissures, also, of the bark on the roots may be seen their little bodies. When viewed with the microscope these spots are seen to be little clusters of insects, having six legs and two antennae.

The disease has been confined to the Geelong district, extending from Gheringhap to Germantown, a distance of about 14 miles. In order, if possible, to prevent the spread of the disease, an act was passed providing for the appointment of inspectors of vineyards, with power to enter any lands whereon vines were grown, for the purpose of ascertaining whether the vines were infected, in which case the fact was to be reported to the chief secretary, who might authorize steps to be taken to eradicate the disease, either by destroying the vines or otherwise, no compensation being granted to the proprietor for any loss he might sustain in consequence of such measures. In 1878 thirteen vineyards, containing an area of 75 acres, were found to be diseased; some were partially destroyed and others were wholly rooted out. Six vineyards, containing an area of 35 acres, were destroyed in 1879. In November, 1880, a select committee of the legislative assembly was appointed to inquire into the condition of the disease, and the best means of eradicating or otherwise mitigating it. The committee reported there was no evidence to show that the insect settled on any vegetation other than vines; that so far as experiments have been carried on no remedy or cure for the disease was known; the time most to be dreaded for the spread of the scourge was about the end of December; and that there was no other cure than entire eradication. It was recommended that a cordon, having a radius of 20 miles, should be drawn round Geelong, and that no part of the vines within that cordon, whether cuttings, leaves, fruit, or roots, should be removed outside of it; that all vines within that cordon should be inspected, and all reported as diseased, or situated within a 3-mile radius of any reported as diseased, should be destroyed by the complete rooting up of such vines, and burning the roots, the owners being awarded a moderate compensation, based, not upon the value of the vines, but of the grape crop which might have been expected during the next three years.

Consequently upon this report another act was passed repealing all former ones relating to vines or vineyards, and providing for the proclamation of infected localities as "vine disease districts," to which inspectors should be appointed, on the receipt of whose reports the minister might order any diseased vines to be uprooted, as well as all other vines within a radius of 3 miles thereof, whether diseased or not, compensation being given to owners of diseased vines up to the value of one year's crop, and to owners of vines not diseased up to the value of three years' crops. Persons were, moreover, prohibited, under a penalty not exceeding £100 or imprisonment for any term not exceeding six months, from removing from a "vine disease district" any vine or part of a vine. The governor in council was also granted power to restrict the importation of vines, vine cuttings, or grapes, and to make regulations for the purpose of carrying the act into effect. The question, moreover, formed one of the subjects of discussion at the intercolonial conference, held in Melbourne, in December, 1880, when it was agreed by the colonies of New South Wales, South Australia, and Victoria to contribute jointly to the expense of eradicating the disease.

The total amount paid for eradication, compensation, and departmental expenses up to the end of June, 1883, is £33,767.

AGRICULTURAL WAGES.

The following figures will show the average rates of wages, in addition to rations, of agricultural laborers for the years 1881-'82 and 1882-'83.

Description of labor.	1881-'82.		1882-'83.	
	s.	d.	s.	d.
Plowmen.....per week..	19	7	20	2
Farm laborers.....do.....	17	0	18	3
Married couples.....do.....	24	10	25	6
Females.....do.....	10	0	10	6
Mowers.....do.....	30	5	37	4
Mowers.....per acre.....	5	10	5	8
Reapers.....per week.....	29	10	34	0
Reapers.....per acre.....	10	8	12	8
Thrashers.....per bushel.....	0	6	0	7

QUEENSLAND SUGAR INDUSTRY.

An exhibition of Queensland sugars was held recently in Melbourne, which attracted considerable attention, as showing the rapid development of the sugar industry in that colony. Altogether about fifty samples were exhibited, the collection comprising finest whites made from vacuum-pan, finest refined whites, yellow brewing crystals, yellow crystallized counters, and other varieties of the colonial product which would reflect no discredit upon any sugar-growing country in the world.

The Queensland sugar industry may now be regarded as having passed its experimental stage, and become an acknowledged and assured success. Scarcely a decade has elapsed since it was considered as the height of folly to invest capital in colonial sugar plantations, but now they are regarded as among the most profitable of investments, while the planters look forward to the time as not far distant when the domestic supply will not only equal the home demand, but will have a surplus for foreign exportation.

The climate and soil of Queensland are admirably adapted to the growth of the sugar-cane, and capital is not wanting for the successful prosecution of the industry. The great drawback at present is the difficulty of obtaining suitable labor on the plantations. A large section of the white population is averse to the introduction of colored labor, while it is patent to the most casual observer that white labor can never be successfully employed in the cultivation of the sugar-cane in a tropical or semi-tropical climate. Until a satisfactory solution is found to the labor problem, which may result in a division of the colony into North and South, any further development of the Queensland sugar industry on a large scale is practically out of the question.

LIVE STOCK.

A comparison of the return of live stock, contained in the following table, with that for 1881, shows an increase throughout Australia of 4,329 horses and 135,352 cattle, but a decrease of 1,663,336 sheep and 191,859 hogs. This falling off is attributable, for the most part, to the effects of the severe drought which prevailed last year in a major portion of the Riverina, as well as various parts of this and the adjoining colonies.

Colony.	Number of—					Total number of stock of all descriptions to the square mile.
	Horses.	Cattle.	Sheep.	Pigs.	Total.	
Victoria	280, 874	1, 287, 088	10, 174, 246	237, 917	11, 980, 125	136. 32
New South Wales	328, 028	1, 859, 985	31, 796, 308	154, 815	34, 139, 164	110. 42
Queensland	229, 124	4, 089, 715	12, 043, 893	50, 097	16, 412, 829	24. 56
South Australia	162, 400	308, 046	6, 388, 386	100, 075	6, 936, 887	7. 70
Western Australia	31, 325	65, 473	1, 259, 797	16, 898	1, 373, 493	1. 41
Total	1, 031, 749	7, 608, 307	61, 662, 610	559, 802	70, 862, 468	24. 06
Tasmania	25, 857	122, 504	1, 845, 455	47, 826	2, 041, 642	77. 41
New Zealand *	161, 786	698, 637	12, 985, 085	200, 083	14, 045, 541	135. 02
Grand total	1, 219, 342	8, 429, 448	76, 498, 150	807, 711	86, 949, 651	28. 28

* The live stock returns of New Zealand are those obtained at the census of 1881.

As reference has already been made in a previous report to the high prices that have been paid for merino sheep in Victoria, it may be of interest to state that at a recent sale of stud sheep in Melbourne a merino ram realized the unprecedentedly high price of 3,150 guineas, or over \$16,000.

TUBERCULOSIS AND PLEURO-PNEUMONIA.

A number of well-authenticated cases of tuberculosis in cattle has recently appeared in Victoria, while several cases of pleuro-pneumonia have been discovered among a herd of cattle in the Camden district, New South Wales.

In reference to the former a tuberculosis board has been appointed by the Victorian government to fully investigate the matter, whose report on the subject, when published, will be duly transmitted to the Department.

As some difficulty is experienced in distinguishing between the symptoms of bovine tuberculosis and pleuro-pneumonia, a description of the symptoms of the former disease may prove of interest, especially in view of the fact that it is believed to be communicable to the human subject. Mr. J. W. Hill, in *Bovine Medicine and Surgery*, says:

"The earliest indication of mischief usually observed is a failing appetite, a somewhat harsh coat, and occasional cough. The bowels are irregular and the milk is blue and watery. As the malady develops the cough becomes more constant and of a deeper and hoarser character. The animal sinks in flesh, the coat is harsher, and the skin fast over the ribs, the respiration is labored and difficult, and exertion causes considerable distress; the cough is incessant and easily induced, and is accompanied by a muco-purulent expectoration.

"The milk still decreases in quality, and the animal presents a miserable, dejected, and emaciated appearance."

According to Clatter's Cattle Doctor, "The various external glands of the body are sometimes swollen from deposition of tubercular matter within their substance, a long groan is uttered in expiration, and the inspiration is irregular and even spasmodic, not unlike a gasp." It may be added that the disease is often very insidious in its onset, and slow in its course, often extending over a period of several years.

THE RABBIT PLAGUE.

The multiplication of rabbits in the colonies has become a veritable plague. A single pair, introduced for the amusement of the sportsman, has propagated into millions. Before the advance of this most timid of animals, flocks and herds are compelled to retire, and even man himself

is starved into surrender. In some instances squatters have been compelled to relinquish their sheep "runs," and selectors to abandon their holdings. Their advance is as noiseless and persistent as that of the dreaded phylloxera. Crossing rivers and mountain ranges, they are steadily penetrating into the interior, and ere long will probably be found in every part of the island continent, occasioning heavy losses to the agriculturist and grazier, and involving expenditure for partial suppression that will be reckoned by many millions sterling.

To exterminate the pest all the known appliances of modern science have been brought to bear, with the result, in some localities, of only checking its steady advance. Traps, poison, fire-arms, deadly gases, the dog, the dingo, and mougoose have been brought into requisition, but hitherto with only partial or indifferent success.

Government aid, too, has been invoked, and there has been a generous response. The parliaments of Victoria, South Australia, and New South Wales have already appropriated nearly a million of dollars for the extirpation of the plague, and in all probability will have to expend many millions more even to keep it within moderate bounds. Add to this sum the expenditure of private individuals in the colonies named, as well as Tasmania and New Zealand, and the outlay, both past and prospective, is something enormous.

According to the report of the chief inspector of stock in New South Wales no less than 700,000 acres in that colony are infested with rabbits. On twenty-seven runs they are said to be increasing, on thirty-six stationary, and on forty-four runs decreasing. Some one hundred and fifteen men, under supervision of inspectors, have latterly been employed in trapping and poisoning, and who report having destroyed immense numbers. Of the various means employed in this war of extermination the most efficient are trapping and poisoning, phosphorized oats and sulphide of carbon having been found especially effective. Latterly some specimens of the mongoose family have been imported from Colombo, and after being kept in confinement for some time were turned out on some large estates in those districts in Victoria and New South Wales where the rabbits are most numerous, and, so far as is known, the result of the experiment is said to be most favorable.

But even the rabbit plague has its compensations. It has opened up new channels of trade and given rise to new industries. Not to speak of the other colonies, in 1882 Victoria exported 4,929,432 rabbit skins, and New Zealand 9,198,837, of the aggregate value of \$631,315. The various uses to which these are applied, from a felt hat to an ermine tippet, are probably known only to the initiated.

II.—MANUFACTURES.

The following table shows the present condition of the principal manufacturing of Victoria. I regret that I am unable to furnish a similar statement for the other colonies:

Manufactories, works, &c.	Number of hands employed.	Value of land, machinery, buildings, &c.
Aerated waters.....	737	\$758,409 98
Boots and stationery	3,415	2,924,990 36
Boots	8,672	814,768 90
Breweries, distilleries, and malt houses.....	1,107	2,892,808 20
Brickyards and potteries	1,442	1,071,939 09
Carriages and harness	2,397	1,441,924 48
Chaff-cutting and corn-crushing works.....	844	968,195 04
Chemicals	332	336,971 06
Cheese factories and milk-condensing works	108	226,177 88

Manufactories, works, &c.	Number of hands employed.	Value of land, machinery, buildings, &c.
Clothing factories	6,217	\$1,440,221 21
Coffee, chicory, cocoa, chocolate, &c.	279	651,332 36
Confectionery and biscuit	671	342,969 26
Flour mills	886	2,269,330 35
Furniture	1,819	994,523 73
Gas works	536	5,582,157 76
Gold, silver, and precious stones	382	390,677 28
Graving docks and patent slip	169	2,109,958 67
Hat and cap	714	359,512 69
Iron, lead, tin, &c.	3,289	2,221,620 51
Jam	463	206,529 40
Machines, tools, and implements	3,645	2,591,776 24
Meat-curing works	599	429,913 32
Paper and paper bags	374	557,457 58
Rope, twine, and sacks	503	377,066 15
Saw mills and joinery works	3,758	1,860,093 10
Soap, candle, and boiling-down works	617	1,059,306 61
Stone, earthenware, and glass	1,036	582,989 75
Tanneries and fellmongeries	1,796	1,572,161 76
Tobacco, cigar, snuff	855	510,607 78
Woolen mills	813	1,133,529 51
All other	2,783	2,850,138 74
Total	45,698	41,460,078 68
Total 1879	53,247	52,662,707 00
Increase	12,451	8,797,371 68

III.—MINES.

Much has been said about the gold mines of Australia. Something remains to be said of its

COAL MINES.

Coal is undoubtedly one of the prime factors in the development of our modern civilization. During the reign of Edward I it is said that a man was actually put to death for burning coal, and yet to-day it warms the blood, feeds the furnaces, and runs the machinery of the world.

In the language of Bryant, whilst it enables us to "laugh at winter," it makes—

Mighty engines swim the sea
Like its own monsters, " " " and is
The moving soul of many a spinning-jenny.

Intrinsically a coal mine is more valuable than a gold mine. Gold having for the most part only an exchangeable or representative value, its purchasing power at any given period diminishes in the same ratio that its volume increases. Other things being equal, if the currency of the world were suddenly doubled, the exchangeable value of a dollar or a sovereign would be diminished by one-half. Hence, to that large class of persons whose incomes are represented by a fixed salary, the discovery of a new gold mine is a positive misfortune. But it is not so with coal. The world is made the richer by the discovery of every new coal-field. Consequently, it is of more importance to the permanent prosperity of a country that it should be rich in coal than that it should abound in the precious metals.

ORIGIN OF COAL.

With regard to the origin of coal various theories have been advanced by scientists, all agreeing, however, that it is purely of a vegetable character.

When George Stephenson declared that his engines were propelled by "heat from the sun which shone millions of years ago," he simply gave poetical expression to a scientific fact.

Perhaps the most probable theory as to the formation of coal is the following, as set forth in a recent number of the *Victorian Review*, by Mr. John Usher, to whom I am greatly indebted for much valuable information on this subject:

The coal-measure lands seem to have been nothing more nor less than forest marshes or swamps, and these swamps favored the growth of *lycopod*, which we call lepidodendron. Now, although closely allied to the common club-moss, which is measured by inches, the lepidodendron grew to the height of 100 feet. It was covered with scales all the way up and threw out branches at the top, which bore the fruit called *lepidostrobus*. This fruit contained a large quantity of spores or pollen, which was of a highly resinous nature. There is not the slightest doubt that it shed its spores annually, like its allies of the present day, and there would doubtless be a large quantity of them thrown off from the parent tree. Now, a microscopic examination of coal proves it to have been made up of those spores; and, although there are numerous traces of plant remains, such as calamite, sigillaria, &c., we are still compelled to admit that the great coal seams, as a rule, owe their existence to the seeds or pollen of the lepidodendron.

At first sight it may appear to us rather doubtful that such a quantity of coal should be the produce of such very minute things; but when we look to the fact that *globoferina* and *foraminifera* are much smaller than these spores, and that chalk, to a very much greater thickness than all our coal seams, is made up almost entirely of these *microzoa*, we cease to be skeptical, and believe that such small things can exert a great influence in the formation of rocks.

Summing up the knowledge which we have gained by our investigations, we find (1) that coal was formed in great marshes and swamps of vegetable matter—trees, such as calamite and sigillaria—but principally of the spores of the lepidodendron; (2) that all these grew on a clayey soil, and that the *lycopods* shed their spores over the ground below. We imagine a length of time to elapse sufficient to allow of an accumulation of those spores, and other vegetable matter, to a thickness sufficient to form a coal seam, and to allow the land to gradually sink until it was covered by the sea or transformed into a lake, after which the whole of the vegetation was covered with sand or mud, as the case might be, and one seam of coal is formed.

As to cannel coal, the formation seems to have been quite different from any other of the various kinds of coal. We suppose cannel coal to have been formed at the bottom of a lake. In proof of this we find fish remains in it, but we have yet to learn that fish lived on dry land. Now, this cannel coal is a black substance which does not soil the fingers, and contains a larger portion of hydrogen than any other sorts. It is very difficult, nay, almost impossible, to tell of what plants it is composed. The vegetable matter has been so thoroughly macerated by its being so much in water that its structure cannot be ascertained. If we examine a lake where a river enters it, we will find that the river brings down with it a large quantity of stones, mud, and vegetable refuse. Stones, being heavier, fall to the bottom first; the mud is carried farther toward the middle of the lake, and the vegetable matter being lighter than the rest, only falls when it is out of the reach of the river's current. This gives an idea of how this cannel coal is formed; and thus it is that it is found in basins instead of seams, and that these beds or basins always "thin out" and give place to shale or sandstone, or the like.

One other kind of coal is found in New South Wales, and in extensive fields in North America, called anthracite. It burns without smoke or flame, and is consequently valuable for iron smelting, instead of coke. Its chemical composition is almost entirely carbon, there being a very small amount of hydrogen in it. It might be thought that this coal is different from any others, but that is not so. It is formed just in the same way as other coal seams, but differs from them in that it has had the bitumen distilled out of it in the shape of petroleum. When ordinary coal is put into a gas retort, the heat carries off its various ingredients as gases, which afterwards condense into tar, naphtha, ammonia, &c. Anthracite coal, however, is found only in countries which have been subject to volcanic outbursts, the heat from which has already distilled, as it were, the hydrocarbons from the coal, in the shape of petroleum, and left this dull substance which we call anthracite.

It is estimated that the distribution of coal rocks in Australasia embraces an area of nearly 270,000 square miles, while the ascertained coal area amounts to nearly 40,000 square miles.

COAL-FIELDS OF NEW SOUTH WALES.

The coal-fields of New South Wales, so far as ascertained by the geological survey, embrace an area of 24,840 square miles, or about one-twelfth of that of the entire colony. "The 'eastern coal-field' alone covers an area of 15,419 square miles, with an average estimate of 10

feet in thickness of workable coal, which represents something like 1,500,000,000 tons, that at 10s. per ton, the average price during the last fifty years, approximates the enormous value of \$3,750,000,000.

The coal measures of New South Wales present from eleven to eighteen different seams, and are found at various levels from 450 feet below to 1,500 feet above the level of the sea. The principal collieries are in the vicinity of Newcastle. The coal-bearing strata are about 500 feet thick. The lowest seam, which is the one generally worked, is from 8 to 15 feet in thickness. One seam, near Jamberoo, is over 25 feet thick.

The coal is bituminous and of excellent quality for steam, smelting, and household purposes. As the commercial value of coal varies, for the most part, in direct proportion to its geological age, it may be observed that the lower seams of the New South Wales coal series are regarded as geologically older than any at present worked in Europe.

Coal was discovered in New South Wales in 1797, but during the first thirty or forty years after its discovery little was done to develop the industry. In 1801 a small brig, called the *Amra Joseph*, was freighted with timber and coals for the Cape of Good Hope, where the latter realized £6 per ton. In 1802 the export of coal was 974 tons. In 1882 1,080,446 tons were exported from Newcastle alone, of which 100,769 tons were shipped to San Francisco.

The following is a summary of the output of coal in New South Wales, and the value of the same, for the year 1882:

Districts.	Tons.	Value.
Northern district	1,569,517	£715,937
Southern district	342,126	170,113
Western district	197,639	62,915
Total	2,109,282	948,965

The following statement, tabulated from official documents just published, will show the development of the coal trade in New South Wales from 1829 to 1882, inclusive:

Year.	Tons.	Average per ton.	Value.	Year.	Tons.	Average per ton.	Value.
		£ s. d.				£ s. d.	
Prior to 1829.	50,000	0 10 0	£25,000	1857.....	210,434	0 14 0.97	148,158 0 0
1829.....	789	0 10 1.23	394	1858.....	216,397	0 14 11.84	162,162 0 0
1830.....	4,000	0 9 0.00	1,800	1859.....	30,213	0 13 3.14	204,371 0 0
1831.....	5,000	0 8 0.00	2,000	1860.....	368,862	0 12 3.86	228,493 0 0
1832.....	7,143	0 7 0.00	2,500	1861.....	342,067	0 12 9.52	218,820 0 0
1833.....	6,812	0 7 6.73	2,575	1862.....	476,522	0 12 9.78	305,234 0 0
1834.....	8,490	0 8 10.00	3,750	1863.....	433,889	0 10 10.66	236,230 0 0
1835.....	12,892	0 8 10.19	5,483	1864.....	549,012	0 9 10.10	270,171 0 0
1836.....	12,646	0 9 1.06	5,747	1865.....	555,525	0 9 4.43	274,303 0 0
1837.....	16,083	0 9 8.81	5,828	1866.....	774,238	0 8 4.44	324,049 0 0
1838.....	17,220	0 9 9.05	8,890	1867.....	770,012	0 8 10.79	342,655 0 0
1839.....	21,283	0 9 9.73	10,441	1868.....	654,231	0 8 9.06	417,809 0 0
1840.....	30,256	0 10 10.86	16,498	1869.....	919,774	0 7 6.32	346,146 0 0
1841.....	34,841	0 12 0.00	20,905	1870.....	868,564	0 7 3.54	316,836 0 0
1842.....	39,900	0 12 0.00	23,940	1871.....	898,784	0 7 0.47	316,340 0 0
1843.....	25,862	0 12 6.54	16,222	1872.....	1,012,426	0 7 9.92	396,198 0 0
1844.....	28,118	0 10 8.34	12,363	1873.....	1,192,862	0 11 1.94	665,747 0 0
1845.....	22,324	0 7 10.27	8,769	1874.....	1,304,612	0 12 1.37	799,224 0 0
1846.....	38,965	0 6 0.46	13,714	1875.....	1,329,729	0 12 3.89	819,429 17 2
1847.....	40,732	0 7 9.01	13,750	1876.....	1,319,918	0 12 2.06	803,300 5 6
1848.....	45,447	0 6 8.38	14,276	1877.....	1,444,271	0 11 10.74	858,998 8 2
1849.....	48,516	0 6 4.45	14,647	1878.....	1,575,497	0 11 8.28	920,886 7 4
1850.....	71,218	0 6 6.77	23,375	1879.....	1,583,381	0 12 0.12	950,678 18 3
1851.....	67,610	0 7 6.51	25,546	1880.....	1,466,180	0 8 6.36	615,836 11 7
1852.....	67,404	0 10 11.33	36,855	1881.....	1,799,597	0 6 9.55	603,248 5 8
1853.....	96,809	0 16 1.51	78,069	1882.....	2,109,282	0 8 11.97	948,965 0 0
1854.....	116,642	1 0 5.68	119,380				
1855.....	137,076	0 12 11.96	89,082				
1856.....	139,980	0 12 4.06	117,906		26,042,806	10 2	13,204,372 13 8

From this it will appear that the total output during this period has been 26,042,806 tons, valued at £13,204,272, and that the average price has been 10s. 2d. per ton. The output for 1882 largely exceeds in quantity that of any previous year, and also in value, with the exception of 1879, when the average price was 3s. per ton higher.

COAL IN NEW ZEALAND.

In New Zealand coal mines are being worked in the provinces of Auckland, Canterbury, Nelson, and Otago, including Southland. Both the hydrous and anhydrous coals occur at the "base of the great marine formation, underlying limestone, clays, and sandstone of Cretaceous and Tertiary age, which have a thickness of several thousand feet, the coal seams occurring whenever the above formation is in contact with the older rock." The anhydrous varieties of coal are considered to be equal to the best imported for steaming purposes.

Bituminous coal is found mainly in the Nelson province. Accurate surveys of the Mount Rochfort, or Buller, coal-field show it to contain 140,000,000 tons of bituminous coal of prime quality, the seams of which are from 10 to 40 feet thick. The Brunner coal mine, on the Grey River, has an available working area of 30 acres, the seam being 18 feet in thickness, and the estimated amount of coal being 4,000,000 tons, which is workable for the most part above the water-level. This coal has been pronounced the best in Australasia for steaming purposes, gas-works, and iron foundries, for which it readily commands a price from 10 to 20 per cent. higher than any other coal in the market. Its average evaporative power is 7½ pounds of boiling water converted into steam for each pound of coal. Coke made from it is valued at \$15 a ton. Coal mines in other parts of the Nelson district have also yielded excellent coal.

One of the coal-fields of Otago is estimated to contain the enormous quantity of 1,152,000,000 tons of coal.

The Kawa-Kawa mine in Auckland, which has a workable seam of 13 feet in thickness, shows of late years a more rapid development, perhaps, than any other, mainly owing to the fact that the Union Shipping Company have adopted it for the use of their coastal steamers.

The following will show the yield of the principal collieries in the various districts, or provinces, of New Zealand for 1878, the date of the latest statistics at hand :

	Tons.
Auckland.....	58,900
Nelson.....	30,504
Westland.....	6,882
Canterbury.....	8,976
Otago.....	56,956
Total.....	162,218

During the same year the total consumption of coal in the colony was 332,445 tons, of which 158,297 tons were derived from the domestic mines, the balance being imported, principally from New South Wales. The total exported was 3,921 tons. Owing to the fact that increased railway and shipping facilities, during the past few years, have given a decided stimulus to this valuable industry in New Zealand it is highly probable that the relative proportion of the foregoing figures has materially changed, and that ere long the output will be sufficient, not only

to supply, for the most part, the home demand, but to have a surplus for foreign exportation.

COAL-FIELDS OF QUEENSLAND.

In Queensland, though immense coal-fields are known to exist, they remain, for the most part, undeveloped, chiefly owing to their remoteness from the seaboard, the difficulty of obtaining labor, and the limited means of transportation. The latter evil will, however, be remedied on the completion of the transcontinental railway, which will bring some of the larger coal areas in the interior in communication with ports of shipment both on the east coast and the Gulf of Carpentaria.

Of the mines worked at present, one is situated in the Wide Bay district, near the Burrum River, and so valuable are the coal-measures considered that some New South Wales mining speculators have obtained a concession from the Government for the construction of a railway from the pits to the port of Maryborough. Another mine, on the Brisbane River averages an output of 50,000 tons annually, and of the coal-field on the Bowen River, Mr. Jack, the Government geologist, says: "That it is the equivalent of the most valuable part of New South Wales measures."

VICTORIA COAL.

In Victoria coal of good quality occurs in the Cape Patterson, Westernport, Gippsland, and Coleraine districts, but up to the present time no seams of sufficient thickness have been discovered to make the working of the mines remunerative. To stimulate the development of the industry, the government provides the diamond drills to facilitate prospecting, and has promised to place the sum of £5,000 upon the estimates, with a view of offering a bonus of 5s. per ton for the first 100,000 tons of Victorian coal delivered in Melbourne.

TASMANIA COAL.

In Tasmania coal is found in various parts of the island, and several mines are being worked, from which, in the year 1878, a total yield of 12,311 tons was obtained. Valuable mines of bituminous coal are found at Port Seymour and the extensive deposits of anthracite at Port Arthur and New Town partially supply the city of Hobart.

COAL IN WESTERN AUSTRALIA.

Trollope, in his account of Western Australia, 1873, says: "Whether there be coal or not in this part of Australia is still one of the secrets of nature. Search is being made for it now under government auspices, by the process of boring, not, I fear, with much success. I am told that there is coal, but it lies very deep in the earth." Coal is said, however, to have been found on the Irwin River as early as 1849.

The following tabulated statement, which has been carefully compiled and revised by Mr. Usher, will furnish an approximate idea of the ex-

tent of coal rocks and ascertained coal area of the various countries in the world :

THE WORLD'S COAL-FIELDS.

Statement showing the extent of coal rocks and ascertained coal-fields in the various countries of the world.

Countries.	Presumed area of coal rocks.	Ascertained coal area.	Remarks.
EUROPE.	Sq. miles.	Sq. miles.	
Great Britain.....	12,800	11,900	Mr. Hull, F. R. S., gives 5,481 square miles as being stored with coal to a depth of 4,000 feet.
France.....	2,400	1,800	
Belgium.....	900	520	
Netherlands.....			There is one coal mine in Holland, in the province of Limburg.
Switzerland.....			Beds of anthracite are developed in the Central and Western Alps.
Sweden.....			Anthracite is found, and bituminous coal, probably Liassic or of Oolitic age, is worked at Helsingborg, at the entrance to the Baltic.
Denmark.....			A small quantity of coal is raised in the Island of Bornholm.
Germany.....	3,600	1,800	By Germany is meant all the German-speaking provinces except those under Austrian rule. In Bohemia, Silesia, Hanover, and other parts of the Empire, much larger deposits are being developed than was known to exist.
Austria.....	2,000		
Russia.....	22,000		The principal coal-field is along the sea of Azof for 180 miles, and covering about 20,000 square miles. There are valuable deposits in the southwest of Poland.
Spain.....	8,000	3,000	
Portugal.....			Lignite and anthracite exist. A small coal-field exists near the mouth of the Douro.
Italy.....			The fuel resources comprise a few beds of anthracite of very limited area, and some beds of lignites of Tertiary, Eocene, and Miocene age.
Greece.....			Lignite has been found in several places.
Turkey.....			Coal is found bordering on the Carpathian Mountains, in Servia, Roumelia, and Bulgaria.
ASIA.			
Turkey.....			The coal of Heraclei, on the south coast of the Black Sea, in Anatolia, has been since the Crimean war exciting much attention.
Persia.....			Is said to contain a very large area of coal rocks.
India.....	35,000	(*)	The following statement of the areas of the Indian coal measures, and associated younger rocks which may conceal coal measures, has been drawn up by Mr. Hughes, an officer of the Geological Survey of India, and is given in a useful little book, entitled "The Diamonds, Coal, and Gold of India," by N. Ball, M. A., F. G. S., of the Geological Survey of India; Godaveri and affluents, square miles, 11,000; Sone, 8,000; Sirgaja and Orissa, &c., 4,500; Assam, 3,000; Narbuda and affluents, 3,500; Damuda, 2,000; Rajmahal area, 300; unsurveyed, &c., 2,700; total, 25,000.
China, including the Island of Formosa.....	400,000		Formosa has 10,000 square miles. There are seams of coal at Peking 95 feet thick.
Japan.....	6,000		Some good anthracite.
AMERICA.			
Falkland Islands.....			Contains coal of good quality.
Patagonia.....			Said to contain extensive deposits.
Pern.....			Contains coal.
Chili.....			One reporter says: "The whole southern country is nothing but a mine of coal."

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Statement showing the extent of coal rocks and ascertained coal-fields, &c.—Continued.

Countries.	Presumed area of coal rocks.	Ascertained coal area.	Remarks.
AMERICA—Continued.	<i>Sq. miles.</i>	<i>Sq. miles.</i>	
Brazil			There are two known coal-fields of considerable extent, containing seams of from 17 to 25 feet in thickness.
United States of Colombia, &c.			Contains some deposits of Cretaceous coal.
Mexico			Large extent of coal formation on the Rio Grande, from Texas into Mexico, at Laredo. There is a fine seam of coal 8 feet thick on the Mexican shore, within 200 yards of the Rio Grande.
United States of North America.	500, 000	230, 659	Of the true Carboniferous system, and large areas of newer formations.
Vancouver's Island			Large area of coal of good quality
British America, including Nova Scotia, Prince Edward Island, and Newfoundland.	18, 000		This does not include the "Arctic coal region," which has been observed on Melville and Bathurst Islands, Bank Land, &c.
Greenland			Coal is found.
Russian America			Coal is found.
West India Islands			Contain more or less of fuel substances.
OCEANICA.			
Australia.			
New South Wales		24, 840	The "Eastern coal-field" covers an area of 15,419 square miles.
Queensland	240, 000	14, 000	It is said coal was discovered in 1849 on the Irwin River. In Trollope's account of Western Australia, 1873, he says, "Whether there be coal or not in this part of Australia is still one of the secrets of nature. Search is being made for it now under Government auspices, by the process of boring, not, I fear, with much success. I am told that geologists say that there is coal, but it lies very deep in the earth."
Victoria			
Western Australia			
Tasmania			Several coal-fields, containing coal of varied qualities.
New Zealand	29, 168		Several coal-fields of hydrous and anhydrous coal of very different qualities. The Grey River "main seam" has been pronounced the best coal for steam and gas purposes in Australasia. The "Buller coal-field" has been surveyed geologically, and is estimated to contain 140,000,000 of tons of superior coal. The seams vary from 10 to 40 feet thick. One of the (Brown) coal-fields of Otago is estimated by Captain Hutton, F. G. S., to contain 1,152,000,000 tons of coal.
New Caledonia			Several seams of good coal are said to exist at Mont d'Or.
INDIAN ARCHIPELAGO.			
Borneo			The coal of Labuan is reported to be abundant—four coals are yielded. The seam worked is 9 feet thick. Very fair coal occurs in the Sarawak country.
Sumatra			Good coal is worked.
AFRICA.			
Cape Colony			Coal-fields of some extent have been recently reported on.
Natal			Some excellent coal near the capital.
Zambesi River			Coal was found on this river by Mr. Thornton, the geologist of Dr. Livingstone's expedition.
Zanzibar			"Three fine beds of coal, the first 7 feet thick, the second 18 feet 6 inches, and the third 25 feet in thickness."
			Coal is reported to exist in this district.

* Not surveyed.

GOLD MINES.

There are at present indications that gold-mining in Australia is experiencing a healthy revival. The abnormal excitement of those early days, when the gold fever was at its height, is not likely to return, but a decided reaction appears to have set in after the comparative depression that has characterized the mining interests for a number of years.

In Victoria the gold returns for 1882 show a most satisfactory increase over those of the preceding year. From the tabulated statement below it will be seen that the estimated yield for the year was 898,536 ounces, or nearly 40,000 ounces in excess of that for 1881, representing a value, at \$20 an ounce, of \$800,000:

Estimated quantity of gold raised, 1871 to 1882.

	Ounces.		Ounces.
1871.....	1,355,477	1877.....	809,653
1872.....	1,282,521	1878.....	775,272
1873.....	1,241,205	1879.....	758,947
1874.....	1,155,972	1880.....	829,121
1875.....	1,095,787	1881.....	858,850
1876.....	963,760	1882.....	898,536

The following table will show the quantity and value of the gold produced in the several colonies prior to and during the year 1881:

Colony.	Prior to 1881.		During 1881.		Total.	
	Estimated quantity.	Value.	Estimated quantity.	Value.	Estimated quantity.	Value.
	<i>Ounces.</i>		<i>Ounces.</i>		<i>Ounces.</i>	
Victoria.....	49,646,717	£198,586,868	858,850	£3,435,400	50,505,567	£202,022,268
New South Wales.....	9,085,787	33,477,008	145,582	550,111	9,181,269	34,027,114
Queensland.....	3,386,388	12,486,499	259,782	925,012	3,646,170	13,411,511
South Australia.....	84,600	337,405	16,975	66,973	101,575	404,378
Total of Australia.....	62,153,442	244,887,775	1,281,139	4,977,496	63,434,581	249,865,271
Tasmania.....	181,739	711,504	54,348	211,253	236,087	922,757
New Zealand.....	9,552,194	37,380,633	270,561	1,080,790	9,822,755	38,461,423
Total of Australasia.....	71,887,375	282,979,912	1,606,048	6,269,539	73,493,423	289,249,451

From the foregoing tabular statements it will be seen that the total quantity of gold produced by the Victorian gold mines since their first discovery in 1851 is estimated at 51,404,103 ounces, of an aggregate value of \$1,028,082,060, and that the total quantity raised in all the Australasian colonies from 1851 to 1881, inclusive, amounted to nearly 73,500,000 ounces, aggregating the enormous value of \$1,470,000,000.

The following statement will show the value of the imports and exports of gold coin and bullion for the several colonies during the year 1882:

Gold coin and bullion.

Colony.	Imported.	Exported.
Victoria.....	£759,662	£3,705,837
New South Wales.....	1,204,463	1,947,858
New Zealand.....	186,500	1,176,693
South Australia.....	82,000	81,464
Queensland.....	174,092	834,604
Tasmania.....		160,916
Western Australia.....	85,000	
	2,441,717	7,906,866
	\$11,882,616	\$38,474,768

In Tasmania considerable interest is manifested in connection with

the gold discoveries made on the King River, near the west coast, while Mount Victoria promises to become a permanent if not a highly productive gold field. The discovery at Heemskirk of a rich tin lode at a depth of 350 feet, and varying from 8 feet to 10 feet in width, is regarded as a satisfactory solution of the problem as to the permanency of the Tasmanian tin lodes.

IV.—FISHERIES.

From the report of the commissioners appointed by the government of Tasmania to inquire into the conditions of the fisheries of that colony we gather the following interesting particulars:

Including the successfully acclimatized European fishes, there are found in Tasmanian waters one hundred and eighty-eight different species of known sea and river fishes, of which about one-third are regarded as good edible fish. Of the latter, about twenty species are found in sufficient numbers to afford a regular supply for the market. One of the most highly prized among these, both on account of its size and flavor, is the trumpeter, which is captured at a depth of from 10 to 80 fathoms, and sometimes attains a weight of 60 or more pounds. Tasmanian fishermen heretofore have depended principally for large returns upon the kingfish, of which, however, owing to its migratory habits, the supply is very fluctuating. In 1874-'75 it appeared in such vast numbers that the fish were actually sold for manure. In 1881 the export was merely nominal.

Shoals of sprats, anchovies, and mackerel periodically visit the Tasmanian waters, but, in the absence of the proper appliances for their capture and preservation, these large stores of wealth have hitherto remained untutilized. Among the crustaceans, the most important, commercially, is the crawfish, which is found in great numbers, especially on the eastern coasts, but which, notwithstanding its present abundance, is threatened with total extinction, owing to its wholesale capture irrespective of size or condition.

Referring to the Tasmanian oyster fisheries, which twenty years since were of great commercial importance, the commissioners remark:

It is astounding to contemplate the fact that the quantity then brought to market in one year would now at current prices realize a sum of £93,125; that is, a sum more than the equivalent of the value of the last three years' export of grain, hay, flour, and bran from Tasmania. It is not surprising that those who remember the abundance and commercial value of the original oyster beds should again and again have attempted to do something to improve the at present neglected and almost obsolete industry, and to claim from time to time the aid of Parliament in promoting the welfare of an industry which reasonably might again become of wide national importance.

When we consider that the only natural beds which may be profitably worked are now to be found only in the vicinity of Spring Bay, and that the total yield does not amount to more than one hundred thousand oysters per year, it is humiliating in us to confess that the lesson in oyster-culture given to the world by France many years ago should in this colony be so thoroughly disregarded.

The commissioners report that the efforts made from time to time to acclimatize certain species of the salmonidæ have been fairly successful. This is especially true of the salmon trout and the large brown trout. With regard to the successful introduction of the true salmon (*Salmo salar*), the report of the commissioners leaves the question involved in considerable doubt. They say, however:

It is satisfactory to find that specimens sent to England for examination have been pronounced to possess the characteristics of true salmon, and the successful acclimatization of this fish from the ova already received may now perhaps be a mere matter of time.

Referring to the development of the fishing industry, the commis-

sioners call attention to the desirability of extending the market for fresh fish, and urge the adoption of improved appliances for the capture and preservation of both the permanent and migrating fish with a view to foreign exportation.

In concluding their report the commissioners recommend that, for the better conservation of the fisheries of the colony, the general administration of all matters relating to the sea and inland fisheries be vested in a central board, acting under the direction of the governor in council, and that a competent inspector be appointed to enforce the regulations adopted from time to time by the board.

V.—FORESTRY.

For the following interesting information relative to state forestry in South Australia we are indebted to Mr. J. Ednie Brown, conservator of forests in that colony, whose report on the subject may thus be briefly summarized: Number of trees planted during the season, 193,646; number of trees grown in the nurseries, 400,000; number of trees distributed to corporations, farmers, and others, 160,000. Separate reports are given for each forest reserve. These reports show that most of the trees selected for planting have thriven notwithstanding the drought of January, February, and March, which proved fatal to some of the less hardy varieties. In the Bundaleer forest nearly 120,000 plants were placed in the ground, consisting principally of sugar gum, Tasmanian blue gum, red gum, South Australian blue gum, swamp gum, manna gum, and *Pinus insignis*. Most of these trees did well, with the exception of the Tasmanian blue gums. These did well till the month of January, when many died from want of rain.

The western Australian jarrah was also tried with good results. A few plants of the larch, American catalpa, sycamore, maple-leaf plane, cork elm, and English elm were planted and have thriven well.

Regarding some of the trees the following particulars are furnished:

The *Pinus insignis* show a splendid result. Of the 8,860 planted 54 only have died. These plants were from 11 inches to 15 inches in height when they were put out in the plantation; many of them now stand over 4 feet high. Of the *Pinus pinaster* 460 died out of 4,860 planted.

The trees are in excellent health and have already made large growth for the short time they have been in the ground. The English ash were planted in a somewhat low-lying and dampish portion of the inclosure. They have succeeded well. Out of the 3,150 planted only 20 in all succumbed during the summer. The trees are in a good, healthy condition.

The Aleppo pines have done well, with the result of 85 per cent. alive. All the Wellingtonias are alive and making fair progress.

The sycamore, elms, and poplars show a satisfactory return. A good many of the European larch are alive and growing satisfactorily.

Looking at forest conservation simply from a financial point of view, Mr. Brown shows that the experiment in South Australia has proved eminently satisfactory.

The forest reserves cover an area of 147,000 acres. On these the total expenditure during the past seven years has been £40,700, while £39,261 has been received from them in the form of revenue. In addition to this, the value of the permanent improvements is estimated at £75,000. From these figures it will appear that, while the department is almost self-supporting, the enterprise is highly remunerative from a commercial stand-point.

During the coming year the department proposes to set out in the various reserves about 280,000 trees, and to distribute to corporations, squatters, farmers, and others probably not less than 250,000 plants gratis.

The planting of forest trees along the railway lines has been begun and will be prosecuted with vigor. The cultivation of the wattle, the bark of which is extensively used for tanning purposes, will be largely extended. Referring to the wattle, or tan acacias (*Acacia decurrens* and *Acacia pycnantha*), Baron von Mueller says that "they are the most easily raised, most quick growing, and most powerful tan-bark trees of any in the world." It is further proposed to proclaim forest reserves on Kangaroo Island, and to establish there plantations of exotic trees, chiefly pines, maples, ashes, hickories, walnuts, and elms. Steps are being taken to commence the rearing of the olive and mulberry for free distribution among the farmers, with a view of encouraging the cultivation of the silk-worm and the manufacture of olive oil.

Baron von Mueller, in a brochure recently published on the "Vegetable Resources of the Colony of Victoria," thus describes the tree vegetation of Gippsland, together with that of the subalpine and coast ranges:

Under so mild a clime as that of Eastern Gippsland an exuberance of subtropic forms of vegetation extends from the eastern lowlands frontier of the colony to the environs of Lake King. A stately fan palm (*Leristona australis*) raises in one locality its slender stem to a height of 80 feet, assigning there to the noble order it represents the most southerly geographic limit, if we omit solely the nika palm of New Zealand, which is found still farther away from tropical latitudes. It is in this southeastern district of Victoria where the general tree vegetation of the eucalypt's recedes to a great extent before trees of Indian type with umbrageous dense foliage, evergreen in each instance. Species of Eupomatia, Acronychia, Claoxylon, Omalanthus, Trema, Ficus, Nephelium, Elaeocarpus, Sterculia, and Eugenia adorn the forests, while the genus Eucalyptus is largely represented by species restricted to the eastern coast tracts of the continent, such as *E. corymbosa*, *E. maculata*, *E. longifolia*, and *E. botryoides*. Intricate masses of climbers, comprising kinds of Vitis (grape vines), Stephanis, Celastrus, Passiflora, Marsdenia, Tylophora, Smilax, Geltonoplesium, and Eustrephus often overrun the highest trees of these forests, and a few epiphytal orchids of the genera Dendrobium and Sarcocochilus form here the scattered outposts of the main masses of kindred plants growing in Australia only in the warmer regions of the far East.

Not only the bases of the Alps, but also many of the ravines of the coast ranges are graced by two species of fern trees, *Dicksonia Billardieri* and *Alsophila australis*, which are among the tallest and hardiest of this class of plants anywhere on the globe, and they give an aspect to the landscape such as is rarely witnessed beyond the tropics. In some of these fern-tree gullies near the southwestern limits of the Alps the gigantic ferns are often overshadowed by huge trees of evergreen beech (*Fagus Cunninghamii*), and here and there along the courses of rivulets they are accompanied by a colossal Todea fern, whose broad, though not tall, stem in the course of time attains to a weight of several thousand pounds. As may be imagined, these fern glens harbor under their shelter an almost innumerable variety of evascular plants, which, indeed, in no other tracts of Australia are so copiously developed as here.

Among the various trees restricted to these parts of our colony, the Australian sassafras (*Atherosperma moschatum*) is worthy of special notice, its aromatic bark deserving, as a powerful tonic, extensive adoption in medicine. The blackwood tree (*Acacia melanoxylon*), which furnishes such a beautiful and durable wood, and which proved one of the best acquisitions from Australia, for the forests of the middle regions of India, attains, in the fern valleys, its greatest dimensions.

The vigor of the vegetation in the secluded recesses of the ranges is demonstrated to us when we see occasionally the generally shrubby *Melaleuca squarrosa* rise to 120 feet, or when we notice a species of the order of Labiatae, namely, *Prostanthera lasiantha*, towering to the same height. Many spruce, fir, and larch pines, the sugar maple, the white and the live oak, the cork oak, the various hickory and walnut trees, would grow in these forest valleys at various elevations with unusual celerity amidst native eucalypts of astounding height, such as *Eucalyptus amygdalina*, *E. obliqua*, *E. viminalis*, and *E. globulus*, among which the last mentioned stands unrivaled as a hard-wood tree of quick growth and easy acclimatization; while the first of these four species occasionally excels even the famous giant sequoias of California in tallness, though not in the caliber of their massiveness.

VI.—COMMERCE.

The growth of Australian trade has been marvelously rapid. At the accession of Queen Victoria the commerce of the Australias was com-

paratively insignificant; at present it is much greater than that of any other British possession, with the single exception of India, and is of the same magnitude as the whole trade of Great Britain at the commencement of Her Majesty's reign.

That this rapid development is regarded by capitalists as of a substantial and permanent character may be inferred from the fact that nearly one-fourth of all English capital invested outside of England is invested in Australia, while nearly 20,000,000 sterling finds its way back to England as interest on capital thus employed in public or private enterprises.

The aggregate imports and exports of the several colonies for 1882 show a decided increase over those of the preceding year, amounting to \$54,095,055 in the imports and \$11,019,674 in the exports.

Colony.	Imports.	Exports.
Victoria.....	\$91,237,536	\$78,806,062
New South Wales.....	103,564,619	81,353,091
Queensland.....	30,748,800	17,200,411
South Australia.....	32,643,450	26,083,906
Western Australia.....	2,475,856	2,837,442
Tasmania.....	8,131,299	7,725,029
New Zealand.....	41,897,013	32,401,195
Total 1882.....	310,694,573	246,407,125
Total 1881.....	256,603,518	235,387,451
Increase.....	54,095,055	11,019,674

From this statement it would appear that the aggregate value of the commerce of Australasia for 1882 amounted to the grand total of \$557,105,698.

But it must be borne in mind that this amount includes not only the foreign but the intercolonial trade. The extent of the latter trade for the several colonies during the year 1881 was as follows:

Intercolonial trade.

Colony.	Imports.	Exports.
Victoria.....	\$23,954,364	\$23,049,895
New South Wales.....	29,453,177	82,718,229
Queensland.....	12,513,329	10,902,439
South Australia.....	8,236,887	6,146,472
Western Australia.....	954,262	705,973
Tasmania.....	4,796,267	5,071,930
New Zealand.....	9,503,141	5,047,967
	94,411,424	83,642,906

From a comparison of the foregoing tables, it appears that the intercolonial trade of the colonies amounts to 37 per cent. of their import trade and 36 per cent. of their export trade, so that a correct statement of the commerce of Australasia for 1882 would stand thus:

Description.	Imports.	Exports.	Total.
Foreign trade.....	\$216,787,149	\$162,764,220	\$379,551,369
Intercolonial trade.....	94,411,424	83,642,905	178,054,329
Total.....	310,698,573	246,407,125	557,105,698

The total value and value per head of the imports and exports of the Australasian colonies for each of the nine years preceding 1882 will appear from the following statement:

Imports and exports of Australasian colonies.

Colony.	Year.	Imports			Exports		
		Total value.	Value per head.		Total value.	Value per head.	
		£	£	s. d.	£	£	s. d.
Victoria.....	1873	16,533,856	21	12 0	15,302,454	19	19 10
	1874	16,953,985	21	16 0	15,441,109	19	17 1
	1875	16,685,874	21	8 10	14,766,974	18	15 1
	1876	15,705,354	19	14 4	14,196,487	17	16 5
	1877	16,862,804	20	4 8	15,157,687	18	14 11
	1878	16,161,880	19	13 6	14,925,707	18	3 5
	1879	15,035,538	18	0 7	12,454,170	14	18 8
	1880	14,556,894	17	2 4	15,654,559	18	15 8
	1881	16,718,521	19	4 10	16,252,103	18	14 0
Mean of nine years.....		16,079,356	19	16 11	14,689,028	18	8 4
New South Wales.....	1873	11,088,388	20	8 5	11,815,829	21	9 10
	1874	11,793,739	19	14 8	12,245,603	21	11 5
	1875	12,490,200	22	13 1	13,671,580	22	19 2
	1876	13,672,776	23	2 4	13,003,941	21	0 8
	1877	14,606,594	23	12 8	13,125,819	20	6 4
	1878	14,768,873	21	15 8	12,965,679	19	2 6
	1879	14,198,847	19	17 8	13,086,819	18	6 7
	1880	13,950,075	19	6 10	15,525,138	21	10 6
	1881	17,409,326	22	16 4	14,049,508	21	0 8
Mean of nine years.....		13,830,980	21	4 8	13,510,012	20	16 4
Queensland.....	1873	2,885,499	20	11 10	3,543,513	25	5 7
	1874	2,962,439	19	2 0	4,106,462	26	9 6
	1875	3,328,009	19	6 1	3,857,576	22	7 6
	1876	3,126,559	16	19 6	3,875,581	21	0 10
	1877	4,068,683	20	17 1	4,261,275	23	7 1
	1878	3,436,077	16	12 4	3,190,419	15	8 7
	1879	3,080,889	14	7 8	3,484,084	16	0 8
	1880	3,087,297	13	18 2	3,448,160	15	10 8
	1881	4,063,625	18	7 9	3,540,366	16	0 4
Mean of nine years.....		3,837,675	17	15 10	3,706,265	20	1 2
South Australia*.....	1873	3,841,100	19	13 8	4,587,859	23	10 2
	1874	3,988,290	19	15 8	4,402,865	21	17 4
	1875	4,203,802	20	5 1	4,805,051	23	3 1
	1876	4,576,183	20	19 8	4,816,170	23	1 9
	1877	4,625,511	20	0 0	4,626,581	20	0 1
	1878	5,719,611	23	11 1	5,355,021	23	1 0
	1879	5,014,150	19	14 7	4,762,727	18	14 10
	1880	5,581,497	21	8 7	5,574,605	21	3 1
	1881	5,244,064	18	8 5	4,407,757	15	5 6
Mean of nine years.....		4,754,356	20	7 5	4,815,386	20	17 6
Western Australia.....	1873	297,328	11	11 0	265,217	10	6 0
	1874	364,263	14	0 4	428,637	16	10 1
	1875	349,840	13	4 5	391,217	14	15 8
	1876	386,037	14	5 9	397,288	14	14 1
	1877	362,707	13	3 0	373,352	12	10 9
	1878	379,050	13	10 9	428,491	15	6 0
	1879	407,299	14	6 8	494,884	17	8 3
	1880	353,669	12	5 3	499,183	17	6 1
	1881	404,831	13	12 9	502,770	16	18 9
Mean of nine years.....		367,225	13	6 8	420,138	15	3 11
Tasmania.....	1873	1,107,167	10	13 9	893,556	8	12 6
	1874	1,257,785	12	1 5	925,325	8	17 7
	1875	1,185,942	11	8 3	1,085,976	10	9 0
	1876	1,133,003	10	16 8	1,130,963	10	16 4
	1877	1,308,671	12	6 8	1,416,975	13	6 7
	1878	1,324,812	12	4 2	1,315,695	12	2 5
	1879	1,267,475	11	7 11	1,301,097	11	14 0
	1880	1,309,223	12	1 0	1,511,931	13	6 2
	1881	1,431,144	12	4 0	1,555,576	13	5 2
Mean of nine years.....		1,266,025	11	13 7	1,237,457	11	7 9

* Exclusive of the Northern Territory; also of the overland traffic.

Imports and exports of Australasian colonies—Continued.

Colony.	Year.	Imports.		Exports.	
		Total value.	Value per head.	Total value.	Value per head.
		£	£ s. d.	£	£ s. d.
New Zealand.....	1873	6,464,687	22 9 4	5,610,371	19 9 11
	1874	8,121,812	25 9 4	5,251,269	16 9 4
	1875	8,029,172	22 7 6	5,828,627	16 4 10
	1876	6,905,171	17 16 5	5,673,465	14 12 10
	1877	6,973,418	17 1 6	6,327,472	15 9 11
	1878	8,755,663	20 15 3	6,015,525	14 5 4
	1879	8,374,585	18 13 9	5,743,126	12 16 4
	1880	6,162,011	12 19 10	6,352,692	13 7 10
	1881	7,457,045	15 2 3	6,060,876	12 5 7
Mean of nine years.....	.....	7,471,507	19 8 11	5,873,714	15 0 2

The following table presents a comparative view of the value of the principal articles imported into Victoria during the year 1882, and the first year of each of the two previous quinquennials:

Imports of principal articles, 1872, 1877, and 1882.

Order.	Articles.	Value of imports.		
		1872.	1877.	1882.
1	Books.....	294,473	2170,918	2199,784
	Stationery.....	58,094	61,461	92,653
2	Musical instruments.....	40,148	101,973	115,292
3	Watches, clocks, and watchmakers' materials.....	81,033	85,225	84,776
4	Cutlery.....	44,741	43,557	28,501
5	Machinery.....	46,902	100,467	151,401
	Sewing machines.....	55,651	68,917	119,161
	Tools and utensils.....	76,785	41,495	56,150
12	Building materials.....	64,046	78,944	90,432
13	Furniture and upholstery.....	25,223	42,028	76,990
14	Drugs and chemicals.....	69,175	54,191	84,365
	Matches and vestas.....	41,642	45,544	43,724
	Opium.....	87,851	79,149	77,089
	Paints and colors.....	37,049	60,486	79,636
15	Carpeting and druggeting.....	86,725	57,351	88,463
	Woolens and woollen piece goods.....	805,180	917,793	924,905
16	Silks.....	272,378	258,969	258,709
17	Cottons.....	636,441	766,222	1,048,306
	Linen piece goods, &c.....	48,245	37,493	31,817
18	Drapery.....	109,586	(*)	(*)
	Haberdashery.....	201,854	229,156	237,812
19	Apparel and slops.....	289,189	346,682	813,699
	Boots and shoes.....	245,888	217,503	121,818
	Gloves.....	48,220	67,332	90,145
	Hats, caps, and bonnets.....	99,325	124,222	129,164
	Hosiery.....	109,421	164,779	134,955
	Millinery.....	36,431	12,197	(*)
20	Bags and sacks (including woolpacks).....	115,370	92,735	218,617
21	Butter and cheese.....	6,855	5,798	26,053
	Fish.....	78,652	158,924	121,672
	Meats—fresh, preserved, and salted.....	7,882	12,700	12,599
22	Flour and biscuit.....	21,395	3,509	16,176
	Fruit (including currants and raisins).....	117,305	184,043	204,150
	Grain:			
	Oats.....	119,220	129,876	58,171
	Wheat.....	157,647	20,861	18,805
	Other (including malt and rice).....	377,215	354,501	175,370
	Sugar and molasses.....	1,065,275	769,032	1,315,402
23	Beer, cider, and perry.....	136,869	201,189	207,880
	Coffee.....	43,655	74,804	50,442
	Hops.....	72,408	65,021	57,866
	Spirits.....	265,885	579,984	397,210
	Tea.....	534,648	599,725	745,226
	Tobacco, cigars, and snuff.....	280,473	384,219	252,215
	Wine.....	111,058	168,985	152,531

Imports of principal articles, 1872, 1877, and 1882—Continued.

Order.	Articles.	Value of imports.		
		1872.	1877.	1882.
24	Candles	£75,797	£48,198	£39,908
	Hides, skins, and pelts	69,553	129,045	110,568
	Leather, leatherware, and leather cloth	85,433	141,933	151,645
	Wool	1,215,094	2,030,129	2,734,738
25	Paper (including paper bags)	159,609	175,083	214,341
	Timber	301,831	536,761	715,420
26	Oil of all kinds	207,939	241,001	183,553
28	Coal	184,374	325,367	341,606
29	Earthenware, brownware, and chinaware	45,682	73,104	114,654
	Glass and glassware	50,135	104,678	116,839
31	Gold (exclusive of specie)	986,494	433,061	677,075
	Specie:			
	Gold	255,035	41,300	82,587
	Other	13,830	12,410	69,424
	Jewelry	50,291	48,702	75,021
32	Iron and steel (exclusive of railway rails, telegraph wire, &c.)	413,363	885,615	761,084
	Nails and screws	56,475	64,574	63,909
33	Live stock	758,858	1,024,390	794,496
35	Fancy goods	27,494	51,435	68,641
	Hardware and ironmongery	61,337	115,685	169,374
	Oilmen's stores	17,431	18,101	15,957
	Total	12,856,442	14,564,472	16,419,019

The only articles that show, during these periods, a marked decrease in their value, which is chiefly due to their increased production in the colony, are boots and shoes, candles, cutlery, grain of all kinds, gold and specie, hops, iron and steel, linen piece goods, live stock, spirits, tools and utensils, and tobacco. Of the numerous articles which show a decided increase, the more important are books and stationery, bags and sacks, cottons, carpeting and druggeting, earthenware, furniture, fruits, haberdashery, hardware and ironmongery, musical instruments, paper, paints and colors, sugar, timber, and wool.

The value of the trade of Victoria with other countries, and the percentage of such values as compared with her total imports and exports, will appear below.

Imports from and exports to different countries, 1882.

Countries.	Imports.		Exports.	
	Value.	Per-centage.	Value.	Per-centage.
New South Wales	£4,318,262	23.01	£3,089,255	19.08
Queensland	10,051	.05	18,652	.11
South Australia	412,925	2.20	703,898	4.35
Western Australia	8,590	.05	95,332	.59
Tasmania	429,026	2.29	570,597	3.52
New Zealand	740,473	3.95	742,060	4.63
Total Australasia	5,914,327	31.55	5,225,839	32.27
The United Kingdom	8,980,420	47.90	7,763,065	47.94
Other British possessions	1,729,804	9.23	2,529,533	15.62
The United States	*680,863	3.63	*38,744	.24
Other foreign states	1,442,067	7.69	696,398	3.26
Total	18,748,081	100.00	16,193,579	100.00

* These figures only represent the direct trade with the United States, all shipments via London being credited to Great Britain.

By a comparison of the direct trade of Victoria with the United States in 1882 with that of the first year of the two previous quinqueniads, it will be seen that there has been a marked increase in the imports and a decided decrease in the exports. The latter, however, fluctuate greatly from year to year.

Direct trade of Victoria with the United States.

Imports and exports.	1872.	1877.	1882.
Imports from the United States.....	\$1,653,053	\$3,149,063	\$3,313,420
Exports to the United States*.....	903,242	656,331	573,674

* Declared exports.

As the causes of this unsatisfactory state of our commercial relations with Victoria have been discussed in previous reports it will be unnecessary to recapitulate them here. And yet, although our import trade with this colony is so small as compared with that of Great Britain, it is some satisfaction to know that it is nearly one-half of that of all other foreign countries put together.

PROPOSED NEW VICTORIAN TARIFF.

The following is a summary of the proposed alterations in the tariff of Victoria as recommended in the final report of the tariff commission:

ARTICLES TO BE FREE.

Woolen piece goods (shirtings containing wool, fancy vestings, and house flannels): Present rate of duty, 15 per cent.; estimated loss, £3,000.

All dress piece goods containing wool: Present rate of duty, 7½ per cent.; estimated loss, £18,000.

Blankets (colored blankets): Present rate of duty, 20 per cent.; estimated loss, £1,000.

Gloves (all gloves, except kid or leather): Present rate of duty, 20 per cent.; estimated loss, £4,200.

Hosiery (all hosiery): Present rate of duty, 20 per cent.; estimated loss, £7,750.

Apparel (woolen or cotton undershirts, mufflers, or comforters: Present rate of duty, 25 per cent.; estimated loss, £3,000.

Silks (ribbons, crapes, Persians, sarcenets): Present rate of duty, 20 per cent.; estimated loss, £8,000.

Silks (in the piece, known as pongees): Present rate of duty, 10 per cent.; estimated loss, £1,050.

Matting (Chinese matting): Present rate of duty, 20 per cent.; estimated loss, £300.

Bags and sacks (corn and flour sacks): Present rate of duty, 1s. per dozen; estimated loss, £6,500.

Leather (calf, wax calf, calf kid, patent, hogskins, chamois, dog, buck, goat, and seal levant, Tasmanian kangaroo, sumac-tanned sheep, and fancy-colored leather not otherwise enumerated): Estimated loss, £6,500.

Nails (all nails except horseshoe): Present rate of duty, 3s. per cwt.; estimated loss, £6,000.

Copperware (prepared plates for engravers and lithographers): Present rate of duty, 25 per cent.; estimated loss, £20.

Machinery (portable engines, traction engines, steam plows and tackle for same, machinery for saving gold after the quartz has been crushed, porcelain and chilled iron rollers for flour-making machines, gas washers, gas exhausters, gas scrubbers, gas purifiers; brick-making, veneer-cutting, paper-cutting, folding, glazing, mitering, perforating, punching, rolling, and ruling machines; lead and rule-cutting machines; all bookbinding, lithographing, and stationery-manufacturing machines; electrotyping, stereotyping apparatus; platinum or porcelain chemical apparatus; engine, hydraulic, and other pressure gauges): Present rate of duty, 25 per cent.; estimated loss, £3,500.

Manufactures of metals (axle-boxes, "Carron"; bells, house and table; bolts and nuts, ½ of an inch and under; bench screws; blacksmiths' tongs; boat hooks; bolt-rings; braces, wrought iron; brazed copper pipes; brazed wrought-iron pipes; cake rollers; camp ovens and three-legged pots; cast-steel drills; crucibles, black lead;

cork drawers, steel; furnace pans, galvanized; gas tongs; grindstone spindles; hasps and staples; holdfasts; iron casters, with wood, metal, or other rollers; ladles; meat hooks; pliers; quoits; pipes, wrought iron; rings and starts; rivets, $\frac{1}{4}$ of an inch and under; zinc, perforated): Present rate of duty, 25 per cent.; estimated loss, £2,000.

Agricultural implements (threshing machines, combination harvesters, and corn screens): Present rate of duty, 20 per cent. (Estimated loss included in that for previous item.)

Fuse (all): Present rate of duty 1½d. per coil of 24 feet; estimated loss, £1,500.

Powder (blasting, all): Present rate of duty, 1d. per pound; estimated loss, £4,000.

Earthenware (crucibles, cottage ink bottles): Present rate of duty, 1s. 4d. per cubic foot; estimated loss, £100.

Glass or stone bottles, containing spirits, wine, beer, &c. (all): Present rate of duty, 6d. per dozen; estimated loss, £13,000.

Bottles containing pickles (all): Present rate of duty, 6d. per dozen; estimated loss, £200.

Corks, cut (all): Present rate of duty, 4d. per pound; estimated loss, £3,000.

Drugs (acid, carbolic): Present rate of duty, 6d. per gallon; estimated loss, £50.

Drugs (acid, carbolic, pure): Present rate of duty, 6d. per pound; estimated loss, £50.

Drugs (acid, oxalic): Present rate of duty, 2d. per pound; estimated loss, £100.

Drugs (acid, picric): Present rate of duty, 3d. per pound; estimated loss, £5.

Drugs (gelatine): Present rate of duty, 6d. per pound; estimated loss, £230.

Drugs (nitrate of silver): Present rate of duty, 6d. per ounce; estimated loss, £15.

Drugs (potassium, iodide of): Present rate of duty, 10d. per pound; estimated loss, £80.

Drugs (potassium, bromide of): Present rate of duty, 3d. per pound; estimated loss, £30.

Varnish (lacquer): Present rate of duty, 2s. per gallon; estimated loss, £30.

Wooden ware (all articles except those specified): Present rate of duty, 25 per cent.; estimated loss, £400.

Paper (all marble, surface, drawing, uncut, blotting, and other papers not specified): Present rate of duty, 4s. per cwt.; estimated loss, £600.

Manufactured stationery (all articles, except those specified): Present rate of duty, 20 per cent.; estimated loss, £500.

Fireworks (all): Present rate of duty, 20 per cent.; estimated loss, £130.

Pipes, smoking (clay pipes): Present rate of duty, 25 per cent.; estimated loss, £400.

Combs (all): Present rate of duty, 10 per cent.; estimated loss, £700.

Plated ware (all plated fastenings and mountings for furniture cabinet work, carriage or other vehicle making, and close-plated fittings for lamps): Present rate of duty, 20 per cent.; estimated loss, £300.

Bricks, fire (all): Present rate of duty, 20s. per 1,000; estimated loss, £120.

Timber (laths): Present rate of timber, 1s. per 1,000; estimated loss, £140.

Timber (shingles): Present rate of duty, 9d. per 1,000; estimated loss, £5.

Timber (rough spokes and felloes, and sawn pickets): Present rate of duty, 6d. per 100; estimated loss, £90.

Almonds, shell'd almonds, nuts (all): Present rate of duty, 2d. per pound; estimated loss, £1,460.

Soap, not perfumed or toilet (soap, common): Present rate of duty, 2d. per pound; estimated loss, £75.

Fruits, boiled (drained peel): Present rate of duty, 2d. per pound; estimated loss, £500.

Vegetables (vegetables, dried): Present rate of duty, 2d. per pound; estimated loss, £10.

Honey (honey): Present rate of duty, 2d. per pound; estimated loss, £10.

Macaroni (macaroni): Present rate of duty, 2d. per pound; estimated loss, £500.

Vermicelli (vermicelli): Present rate of duty, 2d. per pound; estimated loss, £500.

Meats, preserved (all): Present rate of duty, 2d. per pound; estimated loss, £120.

Meats, potted (all): Present rate of duty, 2d. per pound; estimated loss, £120.

Provisions, salted, &c. (all): Present rate of duty, 2d. per pound; estimated loss, £95.

Biscuits (all): Present rate of duty, 2d. per pound; estimated loss, £15.

Oils, in bulk (all, except mineral, refined, and castor): Present rate of duty, 6d. per gallon; estimated loss, £6,000.

Oilmen's stores (all, except those specified): Present rate of duty, 10 and 20 per cent.; estimated loss, £400.

Fruit, green (oranges, lemons, citrons, or limes; pineapples, bananas, guavas, and other semi-tropical or tropical fruits): Present rate of duty, 9d. per bushel; estimated loss, £5,000.

Grain and pulse of every kind not otherwise enumerated (all, except wheat, barley, maize, oats, pease, beans, and gram): Present rate of duty, 2s. per 100 pounds; estimated loss, £300.

Grain and pulse of every kind, not otherwise enumerated, when prepared, ground, or in any way manufactured (bran, pollard, or sharps, and all other, except flour and meal): Estimated loss, £200.

Cows, oxen, heifers, bulls, steers, calves over six months old, except working bullocks in teams (all): Present rate of duty, 5s. each; estimated loss, £16,375.

Horses, mares, geldings, colts, and fillies, not in saddle or harness (all): Present rate of duty, 5s. each; estimated loss, £810.

Sheep, whether rams, ewes, wethers, or lambs (all): Present rate of duty, 6d. each; estimated loss, £21,015.

Pigs (all): Present rate of duty, 2s. each; estimated loss, £620.

Total remissions, £150,100.

REDUCTIONS OF DUTIES.

Articles under the heading of—	Present rates of duty.	Proposed rates of duty.	Estimated loss.
Apparel not made of material composed of wool, &c.	25 per cent.	20 per cent.	£8,000
Mats	do	do	150
All other leathers	20 per cent.	10 per cent.	700
Woolpacks	7s. per dozen	8s. per dozen	1,200
Cordage, viz:			
Coir rope	5s. per cwt	2s. per cwt	400
Hempen and other cordage (except of galvanized iron), including all housing and seizing lines and spun yarns	11s. 3d. per cwt.	4s. per cwt.	
White lines and other descriptions of cordage not otherwise specified (except coir yarn)	28s. per cwt	8s. per cwt	
Machinery	25 per cent.	20 per cent.	2,000
Pipes, cast-iron	40s. per ton	28s. per ton	5,000
Nails, horseshoe	12s. per cwt	6s. per cwt	850
Clocks	20 per cent.	10 per cent.	1,000
Watches	do	do	2,500
Spirits—Sarsaparilla containing not over 25 per cent. of alcohol	10s. per gallon	6s. per gallon	100
Wine, other than sparkling	6s. per gallon	5s. per gallon	5,000
Fruits, dried or preserved	2d. per lb	1d. per lb	19,600
Salt	20 s. per ton	10s. per ton	8,000
Grain, maize	1s. per 100 lbs.	6d. per 100 lbs.	4,000
Fish, preserved	2d. per lb	1d. per lb	7,000
Total reduction of duties			60,500

MODIFICATIONS IN INCIDENCE OF DUTIES.

Proposed duties.	Estimated effect upon the revenue.	
	Loss.	Gain.
Hats:		
Felt hats (including women's untrimmed), 12s. per dozen	£700	
Cloth hats, sewn, and not upon any foundation or frame, 8s. per dozen		
Caps made of any kind of cloth, 8s. per dozen		
Curled hair, 10 per cent	NIL	NIL
Axles, 30 per cent	£800	
All boots and shoes, 15 per cent	1,000	
Earthenware, chinaware, and porcelain (except photographic and telegraphic materials, cottage ink bottles, chemical apparatus, and crucibles), 20 per cent		3,000
All glassware (except locket, brooch, and watch glasses, and optical, surgical, and scientific instruments, and photographic materials, and glass lamps, having a metal or other basis, or a glass font), not otherwise enumerated, 25 per cent		5,000
Glass bottles, empty, 20 per cent		
Opium:		
Including all goods, wares, and merchandise mixed or saturated with opium, or with any preparation or solution thereof, or steeped therein, respectively, except patent or proprietary medicines, otherwise enumerated		
Containing not more than 10 per cent. of opium, 2s. 6d. per pound		
Containing more than 10 per cent. and not more than 25 per cent., 10s. per pound		
Containing more than 25 per cent., 20s. per pound		
(That a declaration as to the strength of all preparations of opium be required from all importers of that drug.)		

MODIFICATIONS IN INCIDENCE OF DUTIES—Continued.

Proposed duties.	Estimated effect upon the revenue.	
	Loss.	Gain.
Medicines:		
Patent, or called patent, being medicinal preparations or compositions recommended to the public as proprietary medicines, or prepared according to some private formula or secret art, as remedies or specifics for any disease or diseases, or affections whatever affecting the human or animal body, or being subject to a stamp duty in the country from whence they are exported, not containing spirits, 25 per cent		£1,000
Containing spirits 20s. per gallon		
Ink, printing, colored	Nil.	Nil.
Paper:		
All note, letter, foolscap, fancy, and other writing paper, with cut edges, or done up in packets ready for use, and blotting paper with cut edges, 2d. per pound		
All descriptions of wrapping paper, cartridge paper, pressings, or middles, carpet felt, and colored paper weighing over 30 pounds per ream of double demy, 4s. per hundredweight		200
Spirits, cordials, liquors, or strong waters, sweetened or mixed with any article so that the degree of strength cannot be ascertained by Sykes hydrometer (including all alcohol, diluted or undiluted with water or other menstruum, and containing in solution any essence, essential oil, ether, or other flavoring or other substance, whether of natural or artificial origin), except drugs containing not over 10 per cent. of alcohol, and not being patent or proprietary medicines, and sarsaparilla not otherwise enumerated, 18s. per gallon	£100	
Drugs, containing not over 10 per cent. of alcohol, and not being patent or proprietary medicines, 2s. per gallon		
Sarsaparilla, if not containing over 25 per cent. of alcohol, 6s. per gallon		
Oils, sauces, pickles, fruit, and vegetables:		
If in bottles, tins, canisters, jars, or any other package containing not more than one-half an imperial pint, 1s. per dozen		
Containing more than one-half and not more than an imperial pint, 2s. per dozen		
Containing more than an imperial pint, and not more than an imperial quart, 4s. per dozen		
Containing more than an imperial quart, and not more than an imperial gallon, 12s. per dozen		300
Oilmen's stores:		
In bulk, and being: Blacking, baking, yeast, egg, custard, bleaching, soap, washing, selditz, sherbet, lemonade, ginger beer, and curry powders, extract of soap, fluid magnesia, bicarbonate of soda, cream of tartar, senna leaves, Epsom salts, insecticide, knife polish, furniture polish, oil, or paste, harness paste, raspberry vinegar, lime juice, lemon sirup, 10 per cent		
In bottles, jars, tins, canisters, boxes, or other package, not containing more than an imperial gallon, 20 per cent		
Total modifications	1,900	10,700

INCREASE OF DUTIES.

Articles under the heading of—	Present rates of duty.	Proposed rates of duty.	Estimated gain.
Jute piece-goods:			
Not exceeding 3 feet in width	1d. per yard	1d. per yard	£1,700
Exceeding 3 feet in width	1d. per yard	1d. per yard	
Perfumery	10 per cent	20 per cent	200
Wine, sparkling	8s. per gallon	10s. per gallon	2,000
Tobacco, unmanufactured	1s. per pound	1s. 4d. per pound	3,000
Powder, sporting	3d. per pound	6d. per pound	300
Bags and sacks and other than corn and flour	6d. per dozen	1s. per dozen	1,500
Woolen piece-goods	15 per cent	20 per cent	13,000
Total increase of duties			22,300

NEW DUTIES.

Articles.	Proposed rates of duty.	Estimated amount of duty.
Stongroom doors and frames.....	25 per cent.....	£250
Bicycles, tricycles, and all descriptions of velocipedes.....	20 per cent.....	1,000
Manufactured stationery, new items.....	20 per cent.....	500
Jewelry.....	1s. per cwt.....	.....
Preserved milk.....	2d. per pound.....	1,000
Oilmen's stores, new items.....	10 per cent.....	500
Total new duties.....	.....	3,250

ALTERATIONS IN EXCISE.

Articles.	Present rates.	Proposed.	Estimated additional amount.
	<i>Per gallon.</i>	<i>Per gallon.</i>	
Spirits distilled in Victoria from malt, grain, roots, grapes, or wine.....	6s.	7s. 6d.	£10,000
Spirits distilled in Victoria from sugar, treacle, or molasses, or from wort wash or spent wash with which sugar, treacle, or molasses has been made or mixed, or from beer or ale.....	8s.	9s.	
Total excise.....	.....	.....	10,000

Such duties on spirits, respectively, shall be paid on the gallon standard measure of spirits of the strength of proof by Sykee's hydrometer, and so in proportion for any greater or less strength than proof.

RECAPITULATION.

Proposals.	Estimated effect upon the revenue.	
	Loss.	Gain.
Remissions of duties.....	£150,100	.....
Reductions of duties.....	60,500	.....
Modifications in incidence of duties.....	1,900	£10,700
Increase of duties.....	.....	22,800
New duties.....	.....	3,250
Alterations in excise.....	.....	10,000
Totals.....	212,500	46,250

FROZEN MEAT EXPORT TRADE.

Notwithstanding the difficulties that have attended the inception of so delicate an enterprise, the exporters of Australian frozen meat feel encouraged to prosecute their undertaking to ultimate success. English prejudices are being gradually overcome, and prices for prime samples are steadily improving. Besides there has been a decided improvement in the facilities provided, not only for shipment here, but also for receiving consignments in London.

The Australian Frozen Meat and Export Company, having increased their capital, recently resumed operations at their new works near Melbourne, and have now concluded an arrangement with the Orient Steam Navigation Company for the conveyance to London of five thousand carcasses of mutton per month at the rate of 2d. per pound. The steamers

come alongside the railway pier to receive their cargo, which is run down to the pier in refrigerating cars from the company's works and is then transferred direct to the refrigerating chamber of the vessel. This is a great improvement on the former method of land carriage and shipment by lighters, as it not only saves time, but avoids the risk of a portion of the cargo being partially thawed, as has previously occurred on account of unavoidable delay.

On the arrival of the cargo in London, cold storage accommodation is now provided in the vicinity of the docks, in the absence of which shippers, being compelled to realize on the cargo immediately on its discharge, have frequently been placed at the mercy of trade combinations and the fluctuations of the market. As the thawing process is attended with some difficulties on the part of purchasers the plan has been adopted of thawing the meat prior to delivery.

Under these more favorable conditions, some recent consignments of frozen meat have been pronounced by the London salesmen as "absolutely perfect in every respect," and consequently have realized very satisfactory returns. One shipment by the Orient, of 2,612 carcasses of mutton, shows a net profit of nearly 3 shillings per head. This, in connection with the indirect advantage experienced by graziers who thus find an outlet for their surplus fat stock, is considered as eminently satisfactory and as fully justifying the existence of the frozen meat export companies.

AUSTRALIAN WOOL AND WOOL TRADE.

The following review of the Australian wool market for 1882 is taken from the monthly circular of Messrs. Goldsbrough & Co., leading wool brokers of this city:

In comparing this season's clip with that of previous years, it will be necessary to divide it into two classes, namely, wools the produce of localities where drought has been prevalent, and those that have been grown under favorable influences. Taken as a whole, the clip may be classed as below its usual standard, a large proportion of the lots that have come under our notice being thinner in growth and weaker in staple than we have been accustomed to find them. These lots have, with a few rare exceptions, been the produce of districts where a succession of severe seasons has prevailed, such as southern, central, and southwestern Riverina, and the northwestern plains of this colony. From other wool-producing localities where the season has been favorable, notably southeastern Riverina, the Upper Murray, and the western district of Victoria, where most of our choicest clips are grown, many large lots have come to market in first-class order, being sound, well-grown, and in light condition, and well calculated to maintain the supremacy which our Australian flocks have gained. Burr and seeds have been less frequently met with, and the majority of the clips are lighter in yolk than we have known them for many years, which will account to some extent for the high range of prices paid for all wools of this description. Owing to the scarcity of water on many of the back stations, and the desire on the part of growers to meet the increasing demand for unwashed wools, previously referred to, the proportion shorn in the grease has been unusually large.

As regards the general condition of the clip in New South Wales, we are advised that on the whole it is inferior to that of last year, a large portion being tender in staple, short, and mushy. The wools from the northern districts of the colony, however, show a decided improvement on previous seasons, being sound, well grown, and carefully classed. Somewhat similar reports reach us from South Australia. In parts where drought has been prevalent, principally in the northern river districts, a poor wasty clip has been the result, whilst in those localities that have been favored with a good season, the yield has been fully up to the average. The quantity shorn, however, has been less than last year by about 15,000 bales, but this deficiency will probably be lessened to about 8,000 by the increased quantity of Darling wool shipped from South Australian ports this year. We are glad to note that the prospects for the ensuing clip in both colonies are most encouraging.

The continental demand has been a special feature this season, and a good selection of our best clips has been secured for the French and German markets. From the date of our first shipment to Antwerp by the *Lady of the Lake*, in December, 1876, until last season, no direct shipments were made, the purchases on continental account during the intervening period going forward via London. The direct shipments this season, including the *Mary I. Baker*, which sails to-morrow with about 2,700 bales, amount to 21,430 bales, as against 17,284 bales last year, and they have been distributed as follows: Antwerp, 18,877 bales, and Hamburg, 2,553 bales. This rapid development furnishes encouraging indications of a large and prosperous trade with the continent in the not distant future; and no doubt, when more steamers are laid on, the bulk of the foreign purchases will be shipped direct to the mills, thus avoiding the unnecessary expense and loss of time incurred by forwarding via London. Great efforts continue to be made by the selling brokers to meet the requirements of the trade, and no outlay has been spared in providing ample accommodation for the grower, and in placing at the disposal of the buyer every facility for purchasing with ease and security.

Owing in a great measure to the reduced quantity of suitable wools available this season, operations on American account have been on a less extended scale than was anticipated before the sales commenced, the quantity taken amounting to only 5,794 bales; less than one-half of this total, namely, 2,043 bales, being shipped by sailing vessel to Boston, and the balance being forwarded by the mail steamers via Sydney and San Francisco. Including the Sydney shipments, which amount to 2,492 bales, the total American purchases this year amount to 8,286 bales. The wools bought have been carefully selected, and owing to their extreme lightness should yield satisfactory returns.

One of the principal features of the Melbourne wool sales during the present season, 1883, has been the lively competition on the part of American wool buyers, which has practically cleared the market of that class of wools most suitable to the American demand, *i. e.*, long-stapled merino wools in the grease and extra light in condition. These descriptions of wool this season have been remarkably well grown, sound, and free from fault. There has been a keen competition for them on the part of English and continental buyers, but the Americans have outbid them and thus secured in the Melbourne and Sydney market over 21,000 bales, representing, perhaps, as fine a selection of the kind as has ever been shipped from Australia.

The following table will show the shipments of this staple from Australia to America since 1871-'72, from which it will appear that the number of bales shipped during the present season slightly exceeds that of any previous year:

Shipments of wool from Australia to America.

Season.	Melbourne.	Sydney.	Adelaide.	Total.
	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>
1871-'72	18,700			18,700
1872-'73	11,896			11,896
1873-'74	7,150			7,150
1874-'75	19,042			19,042
1875-'76	5,032			5,032
1876-'77	7,541			7,541
1877-'78	5,071			5,071
1878-'79				
1879-'80	17,551	8,561		21,112
1880-'81	3,372	759		4,131
1881-'82	8,007	3,055		11,062
1882-'83	5,794	2,492		8,286
1883-'84	14,800	6,352	886	21,538

The shipments of wool from Victoria, New South Wales, South Australia, and Queensland, to the end of the present year, as compared with

the shipments to the same date the year previous, show a net increase of 101,088 bales:

Colony.	1882.	1883.
	<i>Bales.</i>	<i>Bales.</i>
Victoria	213, 818	226, 852
New South Wales	100, 555	179, 872
South Australia	101, 201	92, 889
Queensland	22, 143	89, 052
Total	437, 517	588, 665

One noteworthy feature of this year's shipments of wool to America has been the dispatch of the steamship Gulf of Suez, direct for Boston, with a cargo of 5,385 bales, she being the first steamer ever chartered for a voyage between the Australian colonies and our Eastern seaboard.

NAVIGATION.

The number of vessels entered and cleared in the several colonial ports during the year 1882 shows a noteworthy increase, the total number of arrivals and departures being 17,534 vessels, with an aggregate tonnage of 10,866,859 tons, as compared with 16,699 vessels in 1881, with an aggregate tonnage of 9,504,130 tons.

Colony.	Inwards.		Outwards.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
Victoria	2, 089	1, 849, 093	2, 079	1, 841, 791	4, 168	2, 690, 884
New South Wales	2, 437	1, 686, 620	2, 340	1, 610, 045	4, 777	2, 296, 665
Queensland	1, 492	962, 000	1, 467	917, 991	2, 959	1, 880, 501
South Australia	1, 113	675, 441	1, 099	661, 777	2, 212	1, 337, 218
Western Australia	202	172, 698	201	171, 549	403	344, 247
Total	7, 333	4, 846, 452	7, 186	4, 702, 153	14, 519	9, 548, 605
Tasmania	732	208, 934	718	208, 484	1, 451	417, 418
New Zealand	795	461, 285	769	434, 551	1, 564	899, 836
Grand total	8, 861	5, 516, 671	8, 673	5, 350, 188	17, 534	10, 866, 859

Although the number of vessels entering Victorian ports in 1882 was the smallest, with one exception, during the last fifteen years, the aggregate tonnage entered and cleared was greater than in any previous year, which is doubtless due to the increased number of large steamers trading with Melbourne.

The following tables will show the number, tonnage, and crews, the nationality and description, of the vessels entered and cleared at the several Victorian ports during the year 1882:

Nationality.	Vessels entered.			Vessels cleared.		
	Number.	Tons.	Men.	Number.	Tons.	Men.
Colonial	1, 565	661, 890	31, 101	1, 532	671, 923	31, 372
British	377	567, 856	22, 215	355	554, 175	21, 109
Foreign	147	119, 357	2, 498	142	115, 633	2, 374
Total	2, 089	1, 849, 093	55, 814	2, 079	1, 841, 791	54, 855

Foreign vessels entered and cleared, 1881.

Countries.	Vessels entered.	Vessels cleared.	Total.
Germany	45	43	88
United States	35	32	67
Norway	29	28	57
France	17	17	34
Sweden	18	16	34
Russia	1	8	4
Denmark	1	1	2
Holland	1	1	2
Austria		1	1
Total	147	142	289

Steamers and sailing vessels entered and cleared, 1882.

Description of vessels.	Vessels.	Tons.	Crews.
Inwards:			
Steamers	1,372	952,568	46,576
Sailing vessels	717	296,625	9,238
Total	2,089	1,249,093	55,814
Outwards:			
Steamers	1,362	945,951	46,217
Sailing vessels	717	296,840	8,668
Total	2,079	1,241,791	54,885

VII.—PUBLIC REVENUE AND EXPENDITURE.

The total revenue and expenditure of the several Australasian colonies for 1882, together with the amount of each per capita of the mean population, will appear from the following table, showing a surplus of revenue over expenditure in each of the colonies, with the exception of South Australia, the aggregate surplus amounting to £1,833,684. During the past nine years the aggregate revenue of the whole of Australasia has increased from £12,262,000 in 1873 to £21,911,015 in 1882, the increase being £9,649,015, or over 75 per cent.

Colony.	Date on which financial year terminates.	Public revenue.			Public expenditure.
		Raised by taxation.*	Not raised by taxation.	Total.	
Victoria	June 30	£2,317,706	£3,274,656	£5,592,362	£5,145,764
New South Wales	Dec. 31	1,903,418	5,507,324	7,410,737	6,347,810
Queensland	June 30	806,719	1,295,376	2,102,095	1,904,201
South Australia	Dec. 31	653,864	1,433,212	2,087,076	2,146,569
Western Australia	Dec. 31	134,658	115,714	250,372	205,451
Total		5,816,360	11,626,282	17,442,642	15,749,825
Tasmania	Dec. 31	370,856	180,357	551,213	562,771
New Zealand	Dec. 31	\$1,999,000	1,918,160	3,917,160	3,824,785
Grand total		8,186,216	13,724,799	21,911,015	20,077,381

* The amounts in this column are made up of customs duties, less duties on the export of gold, drawbacks, &c.; also of excise duties, including licenses imposed for revenue purposes; duties on bank-notes; stamps, other than those for fees of office; legacy, succession, and probate duties; property and income taxes; and any other impost, payable to the general Government, levied distinctly as a tax, but excluding fees, licenses, and charges for special services rendered.

† According to a return made up in the treasury, but not audited up to the time of this going to press, the figures for Victoria during the year ended June 30, 1883, were as follows: Revenue raised by taxation, £2,334,255; revenue not so raised, £3,267,812; total revenue, £5,602,067; estimated total expenditure, £5,669,878. The estimated mean population of the same period was 904,646; therefore the revenue per head was £6 3s. 10d.; the expenditure per head was £6 5s. 4d., and the taxation per head was £2 11s. 7d.

‡ The figures for Tasmania are subject to future revision.

§ The proportion of the revenue of New Zealand derived from taxation has been only estimated.

Colony.	Per head of mean population.*									Proportion of revenue raised by taxation.
	Taxation.			Total revenue.			Expenditure.			
	£	s.	d.	£	s.	d.	£	s.	d.	Per cent.
Victoria†	2	12	8	6	7	1	5	16	11	41.44
New South Wales	2	7	7	9	5	5	7	18	10	25.66
Queensland	3	11	1	9	5	3	8	7	9	38.38
South Australia	2	5	1	7	4	0	7	8	1	21.33
Western Australia	4	8	7	8	4	9	6	15	3	53.78
Total	2	12	2	7	15	11	7	0	9	33.34
Tasmania‡	3	1	5	4	11	4	4	3	4	67.28
New Zealand	3	18	6	7	13	10	7	10	2	51.03
Grand total	2	17	4	7	12	10	7	0	0	27.26

* In calculating the amounts for Victoria the mean population during the year 1881-'82 (880,280) and for Queensland the population on the 1st January, 1882 (226,968), has been taken.

† According to a return made up in the treasury, but not audited up until the time of this going to press, the figures for Victoria during the year ended June 30, 1883, were as follows: Revenue raised by taxation, £2,334,255; revenue not so raised, £3,267,812; total revenue, £5,602,067; estimated total expenditure, £5,669,878. The estimated mean population of the same period was 904,646; therefore the revenue per head was £6 3s. 10d.; the expenditure per head was £6 5s. 4d., and the taxation per head was £2 11s. 7d.

‡ The figures for Tasmania are subject to future revision.

§ The proportion of the revenue of New Zealand derived from taxation has been only estimated.

The following is a comparative statement of the amounts received under various heads of revenue in the several Australasian colonies during the fiscal year 1881-'82:

Heads of revenue.	Victoria.*	New South Wales.	Queensland.*	South Australia.	Western Australia.	Tasmania.	New Zealand.
TAXATION.							
Customs	£1,684,652	£1,458,676	£641,406	£538,669	£107,994	£256,129	£1,417,392
Excise†	216,547	3,705	50,249	3,997		13,128	57,431
Licenses (business)	25,977	115,964	38,606	26,951	3,781	14,143	47,641
Stamp duties, &c. §	232,712	192,503	76,459	14,522	1,791	22,061	147,262
Land and property taxes	121,555					£35,900	258,520
Harbor and light rates, tonnage, &c.	26,263	13,046	9,046	12,884	4,068		3,764
Miscellaneous ¶					1,469	8,727	5,285
Total taxation **	2,317,706	1,783,894	815,765	597,028	119,103	350,146	1,937,715
LAND REVENUE.							
Alienation in fee-simple and progressive ††	697,558	2,483,338	416,299	651,914	5,750	36,930	376,461
Temporary occupation	126,268	306,286	223,261	97,042	33,562	29,491	171,207
Miscellaneous	2,313	31,365	40,521		1,133	10,335	3,273
Total land revenue	826,139	2,820,989	680,081	748,956	40,445	76,756	550,940

* Year ended June 30, 1882.

† Including duty received on refined sugar and molasses, viz., £65,000.

‡ The excise duties were collected on spirits, beer, and tobacco in Victoria; on spirits only in New South Wales, Queensland, and South Australia, and on beer in Tasmania and New Zealand.

§ Including duties on estates of deceased persons, duties on bank-notes, on checks and receipts, &c.

¶ Including such items as "sheep rates," "scab act fund"; and also in Tasmania "rural police rates," &c.

†† Including "dividend tax" amounting to £11,158.

** The taxation of several of the colonies as here given is higher than that furnished by the colonial authorities, and given in a subsequent table, since some of the items are not generally reckoned as taxation in those colonies. The difference amounts to £13,046 in New South Wales, £9,046 in Queensland, £39,835 in South Australia, £9,904 in Western Australia, and £56,691 in New Zealand.

†† Including interest on land sold on credit.

Heads of revenue.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	New Zealand.
OTHER SOURCES.							
Railways.....	£1,715,260	£1,459,684	£371,210	£427,297	£9,308	£23,770	£864,203
Water supply.....	126,624			66,118			
Post and telegraphs.....	297,701	330,414	108,783	144,125	12,644	27,561	226,242
Pilotage, &c.*.....		21,838	9,406				
Mint receipts.....	10,917	112,837					
Rents (exclusive of lands).....	907	53,785	2,944	2,135	63	583	3,141
Public school fees.....		46,347		19,551			
Fines, fees, and forfeitures.....	120,768	5,826	24,256	50,664	8,902	15,721	129,686
Interest.....	103,675	32,450	65,624	32,165	1,222	3,045	18,884
Miscellaneous.....	72,575	70,399	24,026	83,954	67,626	8,290	31,782
Total other sources.....	2,448,517	2,103,080	606,249	826,009	94,765	78,970	1,268,888
Grand total.....	5,592,362	6,707,963	2,102,095	2,171,988	254,313	505,872	3,767,498

* In Victoria the pilotage collected at the port of Melbourne is paid direct to the pilots, whilst the small amount received at the outports (£177) is included with "harbor and light rates," &c., under the head of "taxation." The pilotage collected at South Australian ports has also been included under that head, as the amount could not be separately distinguished from other "harbor rates and dues."

† Including "escort fees" amounting to £1,881.

‡ The following exceptional items appear under this head: In Victoria £2,890 for assets realized; and in Western Australia £48,635 special receipts and £10,250 receipts in aid of revenue from "commisariat chest on account of police and magistracy."

PUBLIC DEBT.

The following table shows the total amount of the public debt of the Australasian colonies, and the indebtedness per head of the mean population for the year ended December 31, 1882:

Colony.	Total amount of public debt.	Indebtedness per head of population.	Number of years' revenue debt is equal to.
		£ s. d.	
Victoria.....	£22,108,202	24 7 10	3.95
New South Wales.....	18,721,219	23 18 0	2.53
Queensland.....	13,125,350	52 17 5	6.24
South Australia.....	12,472,690	42 9 10	5.96
Western Australia.....	511,000	16 12 2	2.04
Total.....	66,938,871	29 8 0	3.84
Tasmania.....	2,050,600	16 14 10	3.72
New Zealand.....	30,235,711	58 8 1	7.72
Grand total.....	99,219,682	33 15 9	4.53

During the eight years ended with 1881 the public debt of Australasia has more than doubled. During this period the colonies have borrowed the enormous sum of £55,000,000. Out of this sum, however, not to speak of other public works, over 6,000 miles of railways have been constructed or contracted for, representing a value of £35,000,000. In fact the Australasian colonies can scarcely be said to have created a public debt in the European sense of the term, where it usually represents war, extravagance, or misfortune. It is one thing to expend millions of money in destroying hundreds of thousands of producers, and quite another to expend the same amount in reproductive public works.

SUMMARY OF BANK RETURNS.

The following is a summary of the bank returns of the several Australasian colonies, compiled from the sworn averages, for the quarter ended December 31, 1882:

LIABILITIES.

Colony.	Notes in circulation not bearing interest.	Bills in circulation not bearing interest.	Balances due to other banks.	Deposits not bearing interest.	Deposits bearing interest.	Total deposits.	Total amount of liabilities.
Victoria.....	£1,448,952	£121,205	£301,050	£6,826,869	£16,798,270	£23,625,091	£25,496,302
New South Wales..	1,675,141	59,166	811,034	7,735,916	14,808,632	22,544,548	25,089,891
New Zealand.....	967,061	68,956	30,907	3,576,650	*4,700,414	8,277,064	9,343,991
South Australia....	538,229	16,742	80,929	1,817,212	3,323,553	5,140,766	5,776,668
Queensland.....	525,726	16,664	378,135	2,090,627	3,589,429	5,690,056	6,600,572
Tasmania.....	162,265	46,047	24,709			12,964,297	3,097,319
Western Australia..	27,478	781	2,307	197,111	280,594	477,705	508,273
Total.....	5,344,852	329,655	1,629,075	22,244,338	43,500,895	68,609,533	75,913,016

* New Zealand. This includes £448,994 Government deposits.

† Tasmania. In this colony's bank returns deposits bearing interest are not distinguished from those not bearing interest.

ASSETS.

Colony.	Coined gold and silver and other metals.	Gold and silver in bullion or bars.	Landed property.	Notes and bills of other banks.	Balances due from other banks.	All debts due to the banks.*	Total amount of assets.
Victoria.....	£2,860,644	£341,088	£959,301	£144,648	£280,476	£26,562,427	£31,248,584
New South Wales..	2,806,648	87,906	688,398	100,200	2,946,858	25,084,122	31,714,134
New Zealand.....	1,685,180	171,847	388,134	50,100	43,033	£15,512,847	17,851,144
South Australia....	963,549	10,054	347,642	61,642	194,118	19,235,493	10,812,499
Queensland.....	1,062,728	129,941	248,983	14,740	387,268	**7,289,399	9,133,028
Tasmania.....	505,835		53,223		217,464	†2,213,293	2,989,827
Western Australia..	130,381		18,899	2,829	22,035	‡597,914	772,060
Total.....	10,014,967	740,838	2,704,572	374,161	4,191,254	86,495,495	104,521,296

* Including notes, bills of exchange, and all stock and funded debts of every description, except not bills, and balances due to the banks from other banks.

† Victoria. Government securities (if any) held by the banks are not separately distinguished in their returns.

‡ New South Wales. This includes £832,292 Government securities.

§ New Zealand. This includes £264,615 Government securities; notes and bills discounted, £4,855,002; debts due to the banks, exclusive of debts abandoned as bad, £9,980,997; securities not included under other heads, £412,233.

|| South Australia. This includes £55,000 Government securities.

** Queensland. This includes £285 stamps held.

†† Tasmania. This includes £150,976 Government securities.

‡‡ Western Australia. This includes £5,200 public securities.

RAILWAYS AND ELECTRIC TELEGRAPHS.

The number of miles of railway and electric telegraphs already open on December 31, or in course of construction, in the Australasian colonies will be seen from the subjoined table:

Colony.	Number of miles of railway.			Number of miles of electric telegraph.			
	Open.	In course of construction.	Total.	Line (poles).			Wire open.
				Open.	In course of construction.	Total.	
Victoria.....	1,355	340	1,695	3,493	.....	3,493	6,922
New South Wales.....	1,313	504	1,817	9,013	333	9,346	15,902
Queensland.....	867	382	1,249	6,344	237	6,581	9,355
South Australia.....	945	109	1,054	5,093	94	5,187	8,071
Western Australia.....	95	21	116	1,585	.....	1,585	1,585
Total.....	4,575	1,356	5,931	25,528	664	26,192	41,835
Tasmania.....	167	37	204	1,228	80	1,308	1,487
New Zealand.....	1,465	171	1,636	4,011	5	4,016	12,800
Grand total.....	6,207	1,564	7,771	30,767	749	31,516	56,122

From the report of the commissioners of railways it appears that up to December 31, 1882, the colony of Victoria had expended £19,746,915 in the construction of her 1,355 miles of railway, or an average of £14,573 per mile.

The gross earnings for 1882 amounted to £1,781,078, an increase of £115,869 over 1881. After paying £1,098,599 for working expenses there remained a balance of £682,479, being a net profit of 3½ per cent. on the total cost of construction. This low rate of profit is due, for the most part, to the heavy damages which the Government has been compelled to pay on account of several serious railway accidents.

The commissioner of railways for New South Wales reports that during the year 1882 the earnings of the railways were £1,698,863, and the working expenditure £934,635. The lines open for traffic yielded 5.14 per cent. on the capital invested. The total expenditure for construction of all the railways in New South Wales amounts to £16,776,642.

With a view to the better management of the state railways of Victoria and the abolition of political patronage in connection therewith, the powers hitherto vested in the minister of railways have been transferred by act of Parliament to a non-political board, consisting of three commissioners, to be styled the Victorian railway commissioners. Of this board Mr. Richard Speight, late assistant general manager of the Midlands Railway Company, England, has been appointed chairman.

POSTAL UNION.

A conference of delegates representing the several Australasian colonies was held in Sydney in May, 1883, with a view of deciding upon the desirability or otherwise of the colonies joining the Postal Union. After some discussion it was resolved to apply for admission to the union, with the understanding that each colony should be allowed a separate voice in the management of its affairs. From recent correspondence on the subject it appears by no means certain that this condition will be accepted, and yet it is considered highly probable that the colonies will waive the point and apply for admission nevertheless.

SUBSIDIZED MAIL SERVICE.

Three several lines of steamships are at present subsidized by the Australian colonies for the conveyance of the mails between Australia and the United Kingdom. The following account of these has been taken from a report of the deputy postmaster-general of Victoria.

1. The fortnightly service between Melbourne and Ceylon via Adelaide and King George's Sound, carried out by the Peninsular and Oriental Company, to which a subsidy of £85,000 per annum is paid by Victoria. This service is arranged to dovetail with that between Ceylon and Brindisi, maintained by the British Government, by which Australian mails to and from Brindisi and Colombo are conveyed free of charge. The mails are carried across the continent of Europe by special train, and the average course of post is, from London to Melbourne, thirty-eight days, and from Melbourne to London, forty and a half days. The time allowed for the conveyance of mails between Melbourne and Ceylon is nineteen days, and the company is liable to a penalty of £100 for every complete day of twenty-four hours consumed on the voyage beyond that period, receiving a premium of £50 for every complete day occupied less than the time mentioned.

2. The four-weekly service between Sydney and San Francisco via Auckland, carried out by the Pacific Mail Steamship Company, which receives a subsidy of £72,500 per annum from New South Wales and New Zealand, the former paying £40,000, and the latter £32,500. The mails are conveyed across the United States, and by Atlantic steamers, under arrangement between the Governments of Great Britain and the United States. The time allowed for the voyage between Sydney and San Francisco is twenty-eight days, and the average course of post from Sydney to London is about forty-four days, and from London to Sydney about forty days.

3. The four-weekly service via Torres Straits, performed by the British India Steam Navigation Company, which receives a subsidy of £55,000 per annum from the Queensland Government. The steamers run from Brisbane to Plymouth, calling at the northern Queensland ports; also at Batavia, whence there is a branch line to Singapore, by which route mails are transmitted with greater expedition than by the through vessels. The time allowed for the voyage between Brisbane and Plymouth is fifty-six days, and the course of post between Brisbane and London via Singapore and Brindisi is about forty-eight days. The company is required to carry immigrants to Queensland at a cost of £16 a head.

The average time occupied in the transmission of the mails between Australia and London over these three routes during the past year was as follows:

Direction.	Average time occupied between London and—		
	Melbourne via Brindisi and Ceylon.*	Sydney via San Francisco and New Zealand.	Brisbane, via Brindisi and Torres Straits.
	Dys. hrs.	Dys. hrs.	Dys. hrs.
To Australia.....	39 1½	44 0	48 6½
To United Kingdom.....	41 3¼	43 5½	50 13

* The Australian mails should reach London fifty-seven and one-half hours after their arrival at Brindisi, and the English mail should leave Brindisi fifty-five and three-fourths hours after their departure from London.

From the foregoing table it will be seen that by shortening the Pacific mail route several days, which is possible, and with greater expedition in the transcontinental railway transit, the mail route to London via New York would fairly compete with that via Brindisi and Ceylon.

In addition to the three routes already named there is a regular mail-steamship service, comprising seven first-class steamers, between Marseilles, Australia, and New Caledonia. The Belgian Government has contracted for a monthly service between Antwerp and Australia, while the postmaster-general of Germany has given notice that a line of steamers will leave Hamburg monthly calling at all the principal Australian ports.

CIVIL-SERVICE REFORM.

At the recent session of the Victorian parliament a bill was passed, entitled "The public service act of 1883," for the purpose of making better provision for the public service of Victoria.

The purport of the bill is clearly set forth in the preamble, which affirms that "it is expedient and highly desirable to abolish all patronage with respect to appointments and promotions in the public service, and to establish a just and equitable system in lieu thereof, which will enable all persons, who have qualified themselves in that behalf, to enter the public service without favor or recommendation, other than that of their own merits and fitness for the position."

The main provisions of the act, which embodies the principal features of our own civil-service-reform bill, are as follows :

1. Entrance to the public service on the ground of merit alone, the same to be ascertained by competitive examinations.
2. Appointments to be made originally on probation for a period of six months.
3. Promotions in the service to be made on the ground of seniority and merit combined.
4. The appointee to provide for death, or old age, by effecting an insurance on his life, in lieu of receiving a pension or retiring allowance, the amount thereof to be determined and increased from time to time, in accordance with the regulations. No policy of insurance so effected to be assignable either at law or in equity.
5. The appointment of a public service board, consisting of three commissioners, with full powers to carry out the provisions of the act.

It is understood that a bill of a similar character will be introduced at its next session into the parliament of New South Wales.

FIDELITY GUARANTEE.

The issue of fidelity guarantee policies by insurance companies supplies a desideratum that has long been deeply felt, not only in official but in commercial life, whilst it furnishes one of the most striking illustrations of the co-operative tendencies of the complex civilization of the present age.

The advantages of the system are so obvious, and the objections to private guarantee are so many and so great, that it is surprising that the latter has not long since been superseded by that of public companies. To a man of refined and delicate sensibilities, occupying a position of trust and responsibility, nothing could be more embarrassing than to be under the necessity of soliciting his personal friends to become pecuniarily responsible for his fidelity and good behavior. Not to speak of the gain in self-respect and personal independence on the part of the guarantee, the system relieves the guarantor from the embarrassing alternative of either being compelled to refuse a personal favor or of incurring, without any valuable consideration, a greater or less degree of pecuniary liability.

"A clerk in a bank, a new official in the Government service, or a municipal officer," says the Australasian Insurance and Banking Record, "need not now go hat in hand to any one. With good character at his back he can buy the commodity he wants. Guarantee is an article purchasable in the market from companies which make it their business to sell it, and which do so, not as a benevolence, but as a profitable source of revenue."

There appears to be no good reason why one should ask a friend to insure his honesty any more than his life or his dwelling-house. In either case it is, or should be, a purely business transaction, in which the

applicant should be expected to furnish a *quid pro quo*. This becomes the more obvious in view of the fact that, during a given period, and under certain prescribed conditions, the number of cases of dishonesty or breaches of trust may be calculated and tabulated with the same approximate accuracy as the number of deaths, or fires, or shipwrecks. Besides, there is this great moral advantage, that as the character of the applicant for honesty and fidelity is subjected to a searching ordeal, and the examination is conducted on business principles, unbiased by personal or political considerations, the system has a tendency to elevate the moral status of the great body of officials occupying positions of trust and responsibility.

The system of fidelity guarantee by companies appears to have met with great success in Victoria, where it has been established for nearly a quarter of a century. It is stated on good authority that there is one company in Melbourne doing business in the several departments of fire, marine, life, and fidelity guarantee, in which the profits in the last-named branch during a period of twenty years were equal to 10 per cent. per annum on the entire capital employed in all the branches. In fact, no company has failed to pay handsome dividends that has been able to secure a fair proportion of the risks arising out of the Government service.

The following are the current rates of premium for fidelity guarantees: Government clerks, 2s. 6d.; municipal officers, 15s.; collectors, 30s.; bank clerks, 10s.

It will be seen that the rates of premium are fixed on the different classes of occupation and not on individual risks, and that they take a wide range, varying according to the several kinds of employment. To account for this difference, based, no doubt, upon the result of large experience, would prove, perhaps, a difficult task. It may be suggested, however, that the probable reason of the low rate of premium in the case of Government clerks is principally to be found in the fact that the Government invariably prosecutes.

On the other hand, all claims arising from breaches of trust in the public service are practically paid by the company without demur or recourse to litigation. In the case of Government officials, the Australasian Alliance Assurance Company offers additional advantages at materially reduced rates by a combination of fidelity guarantee with life assurance. When, for example, a Government guarantee is accepted at 2s. 6d. per cent. and a life assurance for twice the amount of the guarantee is combined, the whole of the guarantee premium is practically foregone, nearly the whole amount being applied to the reduction of the premium otherwise payable on the life-assurance policy. The same company has entered into an arrangement with the Victorian Government, by virtue of which a general policy, embracing one or more departments of the public service, may be taken out by simply making a declaration similar to that under a general policy of marine insurance.

The following or similar questions are usually addressed to Government officials or applicants for a policy of fidelity guarantee:

1. What is your name in full?
2. Where do you reside? What is your age? Where were you born?
- Are you married or single, and what family have you dependent on you for support?
3. Have you any relatives in this colony? If so, name two or three and their places of abode.
4. What is your present occupation?
5. What situations have you had during the last ten years, and who was your last employer?

7. Have you been in Her Majesty's service before ? And, if so, how long ?
8. Have you ever been deprived of your appointment ? If so, why ?
9. Have you any source of income beyond the appointment with which this application is connected ?
10. Who are your referees ? Name two or three, with full address.

Should the answers to these questions be regarded as satisfactory, the head of the department in which the applicant is about to be employed is requested to furnish replies to the following interrogatories, which, when answered, constitute the basis of the contract between Her Majesty and the insurance company :

1. In what department is applicant to be employed ?
2. What is the name of the office which he is to hold ?
3. What amount of money will be intrusted to him during the day ?
4. What salary is he to receive, and how is he to be paid ?
5. How often, and to whom, will applicant have to render an account of his monetary proceedings ? What checks will there be on his accounts ?
6. Have you ever heard anything about his character or proceedings which would render him an unsafe person for the company to guarantee ?
7. Is this guarantee the only one you will require for the applicant ? If it is not, state what further amount and in what office.

The accompanying blank form of Government guarantee policy will show the nature of the contract between Her Majesty and the insurance company :

AUSTRALIAN ALLIANCE ASSURANCE COMPANY.

[Vignette.]

Amount guaranteed, £———. Annual premium, £———.

Capital, £250,000 sterling.

Whereas ———, of ———, hereinafter styled the employé, is employed in that department or branch of the Government service of the colony of Victoria known as the ———, in the capacity of ———, at ———, upon condition of the employé procuring a sufficient surety to guarantee Her Majesty, her heirs, and successors, hereinafter called the assured, to the amount of ——— pounds against loss occasioned by the want of integrity, honesty, or fidelity of the employé in such employment, or in whatever situation or office he may be employed in the service of the assured ;

And whereas, in performance of the said condition, the employé, with the concurrence of the assured, hath agreed with the "the Australian Alliance Assurance Company" for the grant by them to the assured of this policy of guarantee. And, as the basis of the contract for such guarantee, the assured hath deposited at the office of the said company a statement or document in writing, dated the ——— day of ———, 18—, and containing (among other things) a declaration signed on behalf of the assured by ———, being authorized by the member of the executive council of the colony of Victoria in whose department of the service the employé is for the present employed [to act for him in this behalf] of the truth of the answers thereby given to the questions therein contained ;

And whereas the employé hath paid to the said company the sum of ——— pounds, ——— shillings, and ——— pence as the premium or consideration for such guarantee as hereinafter expressed up to the first day of January, 18—, and afterwards until notice of the termination of this guarantee shall have been given to the treasurer or minister of finance for the time being of the said colony :

Now this policy witnesseth, that "the Australian Alliance Assurance Company," relying on the truth of the said declaration, do hereby agree and declare, that during the space of time aforesaid, and until such notice as aforesaid has been given, and afterwards during every succeeding year in respect of which the said company shall consent to receive, and the assured or employé, or one of them, shall, before or upon the first day of January, in the same year, pay to the said company the annual premium or sum of ——— pounds, ——— shillings, and ——— pence, the subscribed capital and the funds and other property of the said company remaining unapplied and undisposed of at the time when the proof hereinafter mentioned is furnished to the said company, shall be liable to reimburse and make good to the assured or her heirs and successors, within three calendar months next after proof shall be given to the reasonable satisfaction of the directors of the said company of the occurrence of such next mentioned

loss, every loss whatsoever, but not exceeding in the whole the said sum of — pounds, which during the continuance of the liability of the said company under this policy shall be sustained by the assured by reason of any fraud, deceit, or culpable negligence of the employé in h— employment by the assured, or which may happen by h— conniving at or sanctioning any unlawful act contrary to h— duty as such employé, or by reason of h— omission to perform and fulfill with fidelity and care all the duties of and pertaining to h— said employment, or by reason of h— omission to duly and legally pay, apply, dispose of, and deliver all moneys, chattels, and securities for money which shall at any time come to the possession or control of the employé or be intrusted to h— care by reason or virtue of h— office, service, or employment by or on behalf of the assured or any officer in the service of the assured, or by reason or in consequence of the want of integrity, honesty, or fidelity in any other respect of the employé in h— employment as aforesaid.

Provided, always, that this policy and the guarantee hereby given shall be subject to the terms and conditions hereupon indorsed in the same manner as if all the said terms and conditions were herein incorporated at length.

Provided, also, that this policy is granted upon the express condition that every person at any time making any claim hereunder shall, at the costs of the said company, whenever required so to do by the directors or the chairman of the directors or other duly authorized agents or agent thereof, afford every description of aid or assistance capable of being afforded by such person for the purpose of enabling the said company or the chairman of the directors to prosecute or bring to justice the employé for any criminal offense committed by h— while employed as aforesaid, or to procure the reimbursement of the said company by the employé or h— estate of moneys paid by the said company under this policy.

Provided, also, and it is hereby agreed and declared, that no member of the said company shall in any event be liable under or by virtue of this policy in his or her individual capacity beyond the amount remaining unpaid in respect of his or her shares in the capital of the said company at the time of such proof as aforesaid being furnished, and that no person having been and having ceased to be a member of the said company before the time of such proof being furnished as aforesaid shall be in any manner liable under or by virtue of this policy.

In witness whereof the undersigned directors of the said company, on behalf the said company, have hereunto set their hands and seals this — day of —, in the year of our Lord one thousand eight hundred and —.

[SEAL.]
[SEAL.]

Directors.

Signed and sealed in presence of—

Manager.

Examined, —.

Entered, —.

Government guarantee policy

TERMS AND CONDITIONS REFERRED TO BY THE WITHIN POLICY OF GUARANTEE.

1. That any fraudulent misstatement or suppression in the declaration within referred to, and in consequence of and with express reference to which this policy of guarantee is granted by the company, renders such policy *void* from the beginning, but if the policy has been issued under any other declaration than that of a member of the executive council or his duly appointed deputy, then it shall not be avoided by the falsity of such declaration.

2. That the annual premium payable upon this policy of guarantee must be paid within *thirty* days from the day on which it first accrues due, and that if paid within such *thirty* days the policy does not become void; but if not so paid, then, subject to a discretionary power for the directors to remit the forfeiture, the policy will be absolutely void; provided, nevertheless, that the liability of the company under this policy will continue until notice of the contrary has been duly given to the honorable the treasurer of Victoria.

3. That the right to make a claim under this policy of guarantee ceases *three* months after the death of the party whose honesty is guaranteed.

4. That (subject to a discretionary power exercisable in certain cases by the directors of remitting the forfeiture) this policy of guarantee becomes void *as to future claims* upon its becoming known to the said directors that the person whose honesty is guaranteed has committed any act which gives the right to make a claim under the policy; and that employers are bound, immediately upon discovering or having notice of the commission of any such act, to forward a written intimation of the same, and so far as circumstances will permit of all particulars attending the commission thereof, to the said directors, and that by willfully and knowingly omitting or neglecting so to do for

thirty days after such discovery or notice the policy becomes absolutely void, *both as to existing and future claims.*

5. That in case this policy be or become subject to any trust, the receipt of the trustees for the time being for the money which may become payable thereon shall, notwithstanding any equitable claim or demand whatever of the person or persons beneficially entitled thereto, be an effectual discharge to the company.

6. No receipts for renewal premiums on policies of guarantee except those printed and issued from the principal office will be admitted as valid.

7. No alteration of duties or employment of the said employé shall invalidate this policy so long as he be continued in the employment of Her Majesty.

8. The company will pay the amount of loss for which this policy is guaranteed within three calendar months next after proof as within mentioned, such proof to include, if the directors shall so require, a statutory declaration by some Government officer to the effect that such loss has been sustained to the full amount claimed.

9. Any policy which shall have lapsed by reason of notice to the treasurer or minister of finance of non-payment of premium shall be re-vived by notice being given to the treasurer or minister of finance that payment of the premium has been accepted by the company.

10. This policy shall extend to cover any loss which shall be sustained by third persons through the aforesaid acts or defaults of the employé whom the governor in council may deem it necessary to reimburse.

ANNEXATION IN THE WESTERN PACIFIC.

The federal convention recently held in Sydney for the purpose of considering the proposed annexation of New Guinea, the New Hebrides, and other islands in the Western Pacific, adopted the following resolutions relative thereto :

1. That further acquisition of dominion in the Pacific, south of the equator, by any foreign power would be highly detrimental to the safety and well-being of the British possessions in Australasia, and injurious to the interests of the Empire.

2. That this convention refrains from suggesting the action by which effect can best be given to the foregoing resolution, in the confident belief that the Imperial Government will promptly adopt the wisest and most effectual measures for securing the safety and contentment of this portion of Her Majesty's dominions.

3. That having regard to the geographical position of the island of New Guinea, the rapid extension of British trade and enterprise in Torres Straits, the certainty that the islands will shortly be the resort of many adventurous subjects of Great Britain and other nations, and the absence or inadequacy of any existing laws for regulating their relations with the native tribes, this convention, while fully recognizing that the responsibility of extending the boundaries of the Empire belongs to the Imperial Government, is emphatically of opinion that such steps should be immediately taken as will most conveniently and effectively secure the incorporation with the British Empire of so much of New Guinea and the small islands adjacent thereto as is not claimed by the Government of the Netherlands.

4. That although the understanding arrived at in 1878 between Great Britain and France, recognizing the independence of the New Hebrides, appears to preclude this convention from making any recommendation inconsistent with that understanding, the convention urges upon Her Majesty's Government that it is extremely desirable that such understanding should give place to some more definite engagement, which shall secure these islands from falling under any foreign dominion; at the same time the convention trusts that Her Majesty's Government will avail itself of any opportunity that may arise for negotiating with the Government of France, with the object of obtaining the control of those islands in the interests of Australasia.

5. That the governments represented at this convention undertake to submit and recommend to their respective legislatures measures of permanent appropriation for defraying, in proportion to population, such share of the cost incurred in giving effect to the foregoing resolutions as Her Majesty's Government, having regard to the relative importance of Imperial and Australasian interests, may deem fair and reasonable.

6. That the convention protests in the strongest manner against the declared intention of the Government of France to transport large numbers of relapsed criminals to the French possessions in the Pacific, and urges Her Majesty's Government to use every means in its power to prevent the adoption of a course so disastrous to the interests of Australasia and the Pacific islands.

7. That the convention expresses a confident hope that no penal settlement for the reception of European criminals will long continue to exist in the Pacific, and invites Her Majesty's Government to make to the Government of France such serious representations on this subject as may be deemed expedient.

8. That these resolutions be communicated to the right honorable the secretary of state for the colonies, together with a request that they may be submitted for Her Majesty's gracious consideration, and for such action as Her Majesty may think proper to direct, with a view to giving effect to the earnest desire of her loyal subjects in Australasia.

The principal reasons urged in favor of British annexation in the Western Pacific may thus be briefly summarized:

1. That the men and the money used in civilizing and christianizing the natives have been, for the most part, English, and that if a Catholic power should annex the islands, the Protestant missions would in all probability be suppressed.

2. That the sympathy of the natives are with Great Britain, and that they would hail British annexation as a boon.

3. That the islands, being for the most part rich in soil and tropical products, would become, sooner or later, the "Australasian Indies"—the rich source of tropical wealth both to Great Britain and her colonies.

4. That the proximity of these islands, which are the strategic outposts of the Australasian colonies, would in time of war, if in the possession of any other great naval power, make them dangerous to British interests and British commerce in the South Seas.

5. That it would be the most effectual method of regulating, if not suppressing, the iniquitous labor traffic in Polynesians, which, in some of its aspects, is scarcely less barbarous or inhuman than the African slave trade.

O. M. SPENCER,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Melbourne, May 21, 1884.

Imports at Melbourne from the United States for the year ending December 31, 1882.

Articles.	Quantity.	Value.
Agricultural implements	packages.. 479	\$11, 373 01
Apparel and shawls .....	.....	350 39
Arms and ammunition .....	.....	3, 834 80
Axles and axle-boxes .....	.....	9, 484 80
Books	packages.. 116	11, 129 00
Brassware	do. 51	3, 608 07
Broom-corn and millet	tons. 31	6, 389 71
Brushware and brooms	packages.. 83	1, 873 60
Canes and rattans	do. 39	720 24
Canvas	do. 79	3, 098 54
Carriages and carts	number. 29	4, 739 88
Carriage materials	packages.. 408	11, 845 06
Clocks	number. 2, 805	48, 514 14
Cordage, hemp, and lines	cwts. 224	618 05
Cotton goods	packages.. 19	1, 902 81
Cotton waste and wick	pounds. 1, 477	559 65
Doors	number. 3, 389	13, 684 00
Drugs and chemicals	packages.. 13	1, 328 56
Dyes	do. 56	394 19
Electro-plated ware	do. 79	6, 876 36
Engines, steam	number. 1	885 70
Fancy goods	packages.. 67	3, 674 21
Fish, salted and preserved	pounds. 165, 122	29, 559 12
Fruit, dried and bolted	do. 140, 039	16, 721 29
Furniture and upholstery	packages.. 12, 551	85, 552 07
Gasaliers and chandeliers	do. 4	827 31
Glassware	cubic feet. 1, 976	4, 876 23
Goods, manufactured, unenumerated	packages.. 80	4, 034 32
Grease	tons. 23	2, 676 58
Grindery	packages.. 810	7, 684 20
Haberdashery	do. 12	1, 211 76
Hair	pounds. 3, 548	437 90
Hardware and ironmongery	packages.. 1, 991	63, 291 00
Hops	pounds. 5, 912	2, 335 92
India-rubber goods	packages.. 34	1, 379 89
Ink, printing and writing	do. 11, 571	1, 717 88
Instruments, organs	number. 1, 025	59, 990 35
Iron, cast, wrought, sheet, and wire	tons. 248	15, 626 33
Lamps and lampware	packages.. 213	3, 937 00

Imports at Melbourne, &c.—Continued.

Articles.	Quantity.	Value.
Leather, plain, patent, and imitation	{ packages 188 cwts 798 }	{ \$70,792 98 }
Leatherware	packages 156	9,951 90
Linen piece goods	do 10	768 91
Machinery:		
Agricultural	do 125	34,484 02
Other	do 1,032	63,634 35
Maize and corn flour	pounds 223,000	24,697 49
Medicines, patent		20,064 58
Metals, manufactures of	packages 3,020	48,397 34
Metal ware, mixed	do 81	4,501 51
Nails	cwts 2,981	19,052 35
Oars	number 665	1,104 70
Oil:		
Kerosene	gallons 1,811,799	344,645 58
Lard	do 3,400	3,944 74
Lubricating	do 9,264	8,834 80
Mineral, unrefined	do 23,809	12,511 77
Other	do 5,015	5,499 15
Oil and other floor cloths	packages 172	5,241 23
Oilmen's stores, unenumerated	do 624	5,324 82
Ornament stores	do 5	900 30
Paints and colors	cwts 110	676 45
Paper and paper hangings	do 44	588 85
Perfumery	packages 221	3,956 47
Personal effects	do 7	326 06
Photographic goods	do 10	890 57
Plaster, American	cwts 19,215	26,210 97
Plated ware	packages 223	14,428 23
Printing materials	do 27	1,429 81
Resin	cwts 11,102	23,490 12
Saddlery and harness	packages 84	1,518 35
Sausage skins	number 96,054	35,048 67
Seed	{ packages 10 cwts 72 }	{ 1,596 21 }
Sewing-machines	number 7,079	96,235 04
Skins, unenumerated	do 13,634	9,436 14
Slates, roofing	do 2,689,939	120,611 34
Soap	pounds 3,717	1,143 63
Specimens of natural history	packages 4	485 65
Spices	pounds 2,400	253 06
Spirits:		
Cordials and bitters	gallons 1,831	11,022 62
Perfumed	do 825	3,503 48
Other	do 6,999	40,927 27
Sponges		
Stationery	packages 729	9,402 06
Sugar:		
Refined	cwts 1,741	16,147 05
Glucose	do 2,378	10,854 49
Telegraphic materials	packages 52	8,477 44
Tallow	tons 2	248 38
Timber:		
Dressed	superficial feet 3,235,200	197,068 92
Undressed	do 8,682,000	432,923 84
Laths	number 2,887,500	25,108 27
Pickets	do 317,860	12,789 16
Others	{ superficial feet 61,072 packages 25,800 }	{ 18,938 62 }
Tinware	packages 129	1,445 36
Tobacco:		
Leaf	pounds 192,458	52,168 88
Manufactured	do 1,586,569	578,680 92
Cigars	do 10,667	24,011 31
Tools and utensils	packages 4,948	118,885 12
Toys	do 49	3,075 63
Traveler's samples	do 5	447 18
Turpentine	gallons 60,718	62,261 85
Varnish	do 726	1,591 35
Watches and watchmakers' materials	packages 6	3,450 85
Wooden ware	do 9,615	155,859 40
Miscellaneous		2,078 00
Total		3,248,895 00
Total, 1881		2,288,768 65

SYDNEY.

Report by Consul Kahlo on the trade and commerce of Sydney for the year 1882.

In submitting my annual report on the trade and shipping of this port for the year ending December 31, 1882, I have again to inform the Department that, as the official returns of the New South Wales government have only been at my disposal for the past two weeks, the delay in its transmission is beyond my control. However, as these statistics are the latest that can be procured, I may venture to hope that the report may not prove altogether devoid of interest.

AGRICULTURE.

Owing partly to climatic circumstances and in part to the absence of water, there is much land utterly useless for agricultural purposes, though much of this is adapted for pastoral use, and is so employed. Land containing the ingredients and constituents necessary for the formation of plant is only found near the banks of the rivers, which makes its fertility almost counterbalanced by the liability to inundation.

The total area of land under cultivation was 733,583 acres. Lands inclosed but not in cultivation covered an area of 24,977,048 acres, and there were 5,003,719 acres uninclosed. As compared with the previous year the extent of land in cultivation had increased by 80,515 acres, and land inclosed but not in cultivation by 2,978,563 acres.

The principal productions and average yield per acre are, wheat, 4,042,395 bushels, or $16\frac{1}{2}$ bushels; maize, 4,057,635 bushels, or $34\frac{1}{2}$ bushels; barley, 133,050 bushels, or $20\frac{1}{2}$ bushels; oats, 617,465, or 25 bushels; potatoes, 48,561 tons, or 3 tons per acre.

Vines covered an area of 4,448 acres, the produce in the aggregate being 543,596 gallons of wine and 1,540 tons of grapes as fruit for table use.

Gardens and orchards occupied 17,060 acres and orangeries 6,716. The estimated quantity of oranges produced was 4,978,829 dozen.

Live stock.—The total number of horses was 328,026; of horned cattle, 1,859,985, and of sheep, 31,769,308. The number of pigs was 154,815. The return for the decade shows that the number of live stock in the year under review had decreased as compared with the previous year—horses by 18,905; horned cattle by 320,911; sheep by 1,266,546, and pigs by 59,101.

MILLS AND MANUFACTORIES.

At the end of the year 1882 there were 166 mills in the colony for grinding and dressing grain. The number of hands employed was 703, and there were 403 pairs of stones in operation.

The general total number of manufactories, works, &c., in the colony at the same time was 3,036, employing a total of 32,660 hands, viz, 30,556 males and 2,104 females.

There were 8 establishments in operation for the manufacture of woollens, 7 of which manufactured cloth and tweed to the extent of 169,225 yards, though this industry is in a very languishing condition as compared with former years.

The manufacture of soap and candles was carried on in 36 establishments, the production of which was 116,577 cwts. of soap and 30,377 cwts. of candles.

The manufacture of tobacco for the year 1882 amounted to 24,965 cwts., the production of seventeen establishments. This quantity is in excess of that for the years 1880 and 1881, but lower than that for 1879.

There were 86 mills in operation for the manufacture of sugar. Seventy of these were worked by steam, with an aggregate of 978 horse-power, and 16 were worked by cattle, with an aggregate of 49 horse-power. The quantity of sugar produced was 236,868 cwts., and of molasses 623,247 gallons. There were 2 refineries, which produced 572,062 cwts.

The number of boiling-down establishments was 39. The aggregate quantity of tallow obtained was 124,229 cwts.

The number of sheep slaughtered was 168,920, and of horned cattle, 21,574. The number of pigs slaughtered was 1,655, and the produce in lard amounted to 9,000 pounds.

The quantity of rum distilled from molasses was 118,066 proof gallons. These figures show a large increase on those for 1881 and 1880, but an actual decrease in the production of the five previous years.

MINES AND MINING.

The estimated quantity of gold produced in New South Wales in the year 1882 amounted to 129,233 mines, valued at \$2,592,340.

There were 39 coal mines in operation, the total output of which was 2,372,942 tons, valued at \$4,618,137. The total number of hands employed was 4,647. The average price per ton of the coal produced in the northern coal fields was \$2.22, and that produced in the southern districts realized \$2.09.

During the year 1882 there were 54,075 tons of shale raised, of the value of \$409,341, the average price per ton being \$8.51. This industry gave employment to 317 miners. The quantity of copper ore and copper smelted was 5,103 tons, valued at \$1,217,477.

The tin-producing districts of the colony return 8,544 tons, valued at \$2,026,872. The production of iron for the year 1882 was 8,410 tons, of the value of \$181,150.

TRADE AND COMMERCE.

The total value of imports for the year 1882 amounted to \$103,564,618, and exports reached the sum of \$81,353,089, the excess in value of imports being \$22,211,529. The value of the total trade of the colony was \$184,917,707, being an increase of \$22,194,859 on the previous year. Imports were \$18,820,700 in excess of the figures of the previous year, and exports show an advance of \$3,248,184. The trade per head of estimated mean population was \$231.88. Import trade was \$129.87 and export trade \$102.01 per head of population.

The value of imports and exports for the year 1882 from and to the United Kingdom, British colonies, United States, and foreign countries is shown by the following figures:

Countries.	Imports.	Exports.
United Kingdom.....	\$54,290,270	\$35,572,610
British colonies.....	38,564,476	39,907,227
United States.....	4,812,550	8,292,663
Foreign countries and South Sea Islands.....	6,897,822	2,560,589

Of the total exports of the year we find \$64,278,965 was the value of the produce and manufacture of the colony; the remaining portion, con-

sisting of \$17,074,125, was of British, American, foreign, and other colonial produce and manufacture.

SHIPPING.

The number of vessels entering the various ports of the colony was 2,437, consisting of 1,179 sailing and 1,258 steam vessels. The tonnage of sailing ships amounted to 673,188 and of steamships 1,013,432 tons; in all of 1,686,620 tons.

Out of the total number arriving 627 were British, 1,603 belonged to British possessions, 72 American, 26 French, 73 German, 16 Norwegian, 8 Swedish, and the remainder men Dutch, Danish, Peruvian, and Spanish.

TRADE WITH THE UNITED STATES.

Trade with the United States was greatly in excess of that of former years, and, as will be seen by the foregoing figures, occupies the leading position among all foreign countries; in fact, is almost equal to the combined trade of all. Imports have not only increased in quantity and value, but many articles hitherto unknown in the colony have been successfully introduced, and I am confident that the returns for 1883 will show even more rapid advancement in this particular. The value of the articles exported to the United States is somewhat smaller than that for 1881, which is due to the great amount of gold bullion shipped in that year. Since the reduction of the tariff on wools the shipments to the United States of this staple product have been the largest ever known.

REVENUE AND EXPENDITURE.

A summary of the actual revenue for the year shows that the total collections from all sources was \$50,766,475, and total expenditures \$45,003,168. From the colonial treasurer's report we find that of the total amount received \$9,262,909 was from taxation, mainly derived from customs duties, the principal sources of which were as follows, viz: Spirits, wine, and beer, \$3,825,370; tobacco and cigars, \$626,108; tea, \$427,420; sugar, \$225,372; dried fruits, \$250,731; rice, \$74,087; opium, \$63,074; specific duties, \$1,362,693. That derived from the sale of Government lands was \$14,182,898; of railways, \$8,935,351, and from the post-office, \$1,744,761, the remainder being from pilotage and harbor fees, fines, public-school fees, and general fees of office. The amount expended on railways during the year 1882 was \$9,223,362, and for tramways in the city of Sydney, \$1,153,207. Roads and bridges absorbed \$2,812,174; harbor and river improvements, \$2,902,048, and public buildings, \$1,630,651.

POPULATION, IMMIGRATION, AND EMIGRATION.

The estimated population of the colony on the 31st December, 1882, was 817,468 persons, the percentage of males being 55, and of females 45. These figures show an actual increase of 36,203 persons in the estimated population at the end of the previous year. The natural increase to the population for the year—that is, the excess of births over deaths—was 16,886 persons, and that for the decade 147,775 persons.

Immigration.—The total number of immigrants was 47,289 persons. Of this number 3,233 were introduced at the public expense, and 1,007 were Chinese. The nationality of assisted immigrants is as follows:

England and Wales 2,017, Scotland 408, Ireland 764, and other countries 44. The emigration returns show a total of 27,902 persons, of whom 884 were Chinese, the gain to the colony by excess of immigration being 19,317.

RELIGION, EDUCATION, AND CRIME.

The number of ministers of religion in New South Wales was 768, and the number of churches and chapels 1,420, which, with the other places used for public worship, had an average attendance of 226,134.

Education.—The total number of public schools throughout the colony was 1,658, and of scholars attending the same, 189,141. The total number of teachers engaged was 2,926. The amount expended by the colonial government in these schools during the year was \$3,010,817. Fees received during the year amounted to \$248,709, so that the actual outlay was \$2,761,688. The attendance at private schools shows an increase of 1,429 pupils.

There were 491 of these schools in existence, in which 1,154 teachers were engaged and 19,746 scholars attended. This, together with the number of pupils attending the public and denominational schools, gives a total of 230,783 scholars receiving instruction in the various schools of the colony during the year 1882. In this connection I may also state that the New South Wales Government supports an art gallery, museum, free public library, and several schools of art, &c., which were visited by 616,506 persons during the year.

Crime.—The number of persons received into the various jails of the colony during the year 1882 was 17,413. Of this number 14,244 were under sentence. Of the total number received 84.21 per cent. could read and write, 3.54 per cent. could read only, and 12.25 per cent. were unable to read.

AMERICAN INSURANCE COMPANIES.

It affords me great pleasure to inform the Department that within the past six months agencies have been established throughout the colonies for the Equitable and New York Life Insurance Companies, and, to judge by the business already done, the prospects are most flattering that the undertaking will prove a very successful one. The pre-eminence of the insurance institutions of America is universally acknowledged, and as the entire insurance business has been controlled by English colonial companies, I bespeak for a good American fire and marine company success of a kindred character.

CHARLES KAHLO,
Consul.

UNITED STATES CONSULATE,
Sydney, January 31, 1884.

BRAZILIAN TARIFF ON IMPORTS.

REPORT BY CONSUL-GENERAL ANDREWS.*

I have previously stated that the "50 per cent. additional" on all import duties has been raised to "60 per cent."

In order to show at a glance how burdensome the Brazilian tariff is on our trade, I give below a statement of goods such as are commonly imported or which could be imported conveniently from the United States, with the present rate of customs duty, in money of the United States, on each article. The rate of duty includes the warehouse charge, which applies to all goods except kerosene, fresh fruits, and a very few other articles:

Duties on articles of subsistence.

Wheat flour	per barrel..	\$0 64
Maize	per hundred pounds..	15
Pork	per pound..	09
Lard	do.....	04
Hams	do.....	08
Bacon	do.....	13
Butter	do.....	11
Cheese	do.....	09
Fresh fruits	do.....	15
Preserved fruits	do.....	10
Whisky	per gallon..	1 65

Duties on cotton manufactures.

Unbleached cotton cloth	per pound..	\$0 12
Shirting	do.....	20
Calicoes	do.....	37

Duties on hardware.

Fence wire	per pound..	\$0 02
Axes, hatchets, spades, hoes, picks, and tools for masons	per hundred pounds..	15
Carpenters' and joiners' tools	do.....	45

Duties on miscellaneous goods.

Kerosene:		
Per case 64 pounds, net		\$1 30
Or per pound		02
Lumber, per cubic meter (1.3 cubic yards)		3 54
Men's boots and shoes, per pair		1 10
Platform scales, each capacity 220 pounds		5 55
Platform scales, each capacity 11,000 pounds		69 00
Watches and clocks, each		1 00
Pianos, in common use, each		83 50

It will be seen from the above that the duty imposed on several necessities, such as butter, cheese, pork, and bacon, exceeds their original cost. To illustrate what a heavy tax has to be paid on a single cargo, I would state that an American sailing ship which arrived here from

* Consul-General Andrews, under date of June 2, 1883, called the attention of the Department to an error in his report on "Brazilian tariff on imports," as published on page 219, in Consular Report No. 28, but his dispatch not being brought to the attention of the proper parties, the correction was not made. The error having been perpetuated in the "Tariffs of the several countries," compiled by the Department of State for the Senate Committee on Foreign Relations, March 4, 1884, and Mr. Andrews again drawing attention thereto, the report, in correct form, is herewith republished.

Boston in the latter part of the month, loaded with apples and ice, paid into the custom-house in duties the sum of \$7,330. The duties on 2,400 barrels of apples and 31 barrels of pears amounted to \$6,000.

I submit that important reductions of duties on imports from the United States should be demanded in consideration of the latter continuing to admit coffee from Brazil free of duty. We also admit free of duty India rubber, cocoa, and cabinet wood of Brazil.

In my special report I had the honor to call attention to the import duties which several European countries collect on coffee: England, 3 cents a pound; Germany, $4\frac{1}{2}$ cents; Austria-Hungary, 7 cents; Italy, 10 cents; and France, 14 cents a pound, while for several years the United States has admitted it free of duty. Not only does Brazil tax excessively the goods imported from the United States, but she also collects an export tax amounting to nearly \$2,500,000 a year on the coffee which she sells to the United States.

C. C. ANDREWS,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Rio de Janeiro, Brazil.

EXPORT DUTIES OF BRAZIL.

REPORT BY CONSUL-GENERAL ANDREWS.

In compliance with the Department's circular letter of 15th February last, received April 11, I now beg to inclose a table of the export duties of Brazil.

The peculiarity of these duties is that they are levied by each of the twenty separate provinces of Brazil as well as by the Imperial Government. I began the collection of the information necessary for this table in April, but soon found that it would be necessary for me to write to the different consular officers of the United States in Brazil to ascertain the duties levied by their respective provinces. This naturally has occasioned delay; and in respect to two consular agencies I have as yet received no reply whatever. Perhaps I might properly repeat here the remark of the consul at Pernambuco, writing me under date of the 25th instant, in regard to certain agencies subordinate to his consulate. He says:

The fact is that these agencies are so poorly paid that the holders do not care to keep them, or rather will not trouble themselves.

As also the United States have consular officers in only thirteen of the twenty provinces of Brazil, and as the rate of provincial duties could not be furnished me at the department of finance, it has been with no little trouble that I have procured full information except as to two rather unimportant provinces.

OBSERVATIONS ON THE IMPERIAL AND PROVINCIAL EXPORT DUTIES OF BRAZIL; ALSO NAMES, LATITUDE, AND LEADING EXPORTS OF THE DIFFERENT PROVINCES.

Imperial duties.—As will be seen by the accompanying table, the rate of export duties collected for the empire is 9 per cent. ad valorem on ten different articles, including Brazil nuts, Brazil wood, cacao, hides, rubber, spirits, and tobacco; 7 per cent. on coffee, wool, and maté-tea, and

5 per cent. on most of the other important exports, including flour of mandioca, from which tapioca is largely produced.

Provincial duties.—Every province of Brazil, whether maritime or interior, collects a separate duty of generally about 4 or 5 per cent. on its exports, and in some instances, as will be seen further along, a municipal tax is added. Indirect taxation is the popular system of raising revenue in this country. There is no direct taxation of land. The tax is collected on the products of the land when they are exported.

The constitutional right of the provinces to levy export taxes appears to be recognized. On the other hand, it is not considered constitutional for them to levy import taxes, though they attempted unsuccessfully to do so a year or two ago.

The imperial and provincial export duties together, in some respects, constitute a heavy tax on goods exported to the United States. It is true the bulk of the coffee exported from Brazil to the United States goes from this port [Rio], and the export duty on such is 7 per cent. *for the Empire and 4 per cent. for the province, in all, 11 per cent.* The same rates of duty are collected on what is sent from the next largest coffee-shipping port, Santos, province of San Paulo. Considerable coffee is also exported from Bahia and Ceará, and as the export tax thereon for each province is 7 per cent., the full rate, including the imperial tax, is 14 per cent. *on coffee exported from those provinces.* So, on the article of rubber, which is principally exported from the two provinces of Amazonas and Grão Pará, there is laid in the first-mentioned province a provincial tax of 12 per cent., and in the last-mentioned province a provincial export tax of 13 per cent., to each of which must be added the imperial rate of 9 per cent.

PROVINCES.

Alagoás.—Latitude, 9° to 10° south. Exports, cotton, sugar, and hides. Amount of provincial export duties per year, \$155,700. The total amount of duties in respect to this and the following provinces should be understood as the amount of provincial export duties for the latest year reported, the returns not being all for the same year.

Amazonas.—Latitude, from 5° north to 10° south of equator. Principal exports, rubber, cacao, Brazil nuts, and medicinal plants. In addition to provisional export tax is a municipal tax of 2 per cent. on all exports. Annual amount of provincial export duties, \$421,992.

Bahia.—Latitude, 10° to 18° south. Principal exports, sugar, coffee, pi assava or broom fiber, cacao, hides, diamonds, tobacco, Brazil wood, spirits.

Ceará.—Latitude, 3° to 8° south. Principal exports, cotton, coffee, sugar, hides, horns, rubber, spirits. There is an additional municipal export tax of 4 cents on each hide and 28 cents on each 100 pounds of rubber. Annual amount of duties, \$117,600.

Espirito Santo.—Latitude, 18° to 21° south. Principal exports, coffee, sugar, lumber. The provincial export duty of this province on coffee is at the rate of 17 reis per kilo, amounting to, say, 42 cents per bag. On sugar, 10 reis per kilo, being about 20 cents per 100 pounds. On rosewood, 84 cents per log, and 42 cents per piece for smaller dimensions. For naval timber, \$4.20 per mast, and 42 cents per plank. Annual duties, \$86,868.

Goyaz.—Latitude, from 6° to 19° south. Large interior province. Principal exports, products of stock-raising and Brazil wood. Export duty on products of agriculture is 5 per cent.; on tobacco about 1 cent per pound. Annual duties, \$33,147.

Grão Pará.—Latitude, 3° north to 9° south of equator. Principal exports, rubber, sugar, cacao, Brazil nuts, hides, and Peruvian bark. There is an additional municipal export duty of 5 reis per kilo on rubber, or, say, 10 cents per 100 pounds. Also there is a provincial export duty of \$4 per head on cattle. The export duty on Peruvian bark, if any, was not reported. Annual amount of duties, \$723,216.

Maranhão.—Latitude, 1° to 9° south. Principal exports, cotton, sugar, hides, balsam copaiba. Annual duties, \$78,834.

Matto Grosso.—Latitude, 9° to 23° south. Very large inland province on southwestern frontier. Principal export is wool. Annual duties, \$14,668.

Minas Geras.—Latitude, 14° to 21° south. Principal exports, coffee, cotton, tobacco, and cattle. The 4 per cent. duty on coffee is collected at the railway and other depots of transportation. The provincial export duty on other products and goods varies from 3 to 6 per cent. Annual amount of duties, \$539,700.

Parahyba.—Latitude, 6½° to 7½° south. Exports, cotton, sugar, and hides, considerable of which is through Pernambuco. Amount of duties, \$106,388.

Paraná.—Latitude, 23° to 26° south. Principal export is matté-tea. Annual amount of duties, \$58,800.

Pernambuco.—Latitude, 7½° to 9° south. Principal exports, sugar, cotton, hides, spirits, coffee. There is an additional export duty of 5 cents for the benefit of charitable institutions; also 4 per cent. on each cotton bag if made out of the province in which sugar is exported.

Piauhy.—Latitude, 2° to 10° south. Exports, cotton, and sometimes mandioca and rice. The rate of provincial export duties may be assumed as about the same as in Maranhão or Ceará, which adjoin it. Annual amount of duties, \$20,659.

Rio de Janeiro.—Latitude, 21° to 23° south. Principal exports, coffee, cotton, sugar, spirits, hides, tobacco. Annual amount of (provincial) export duties, \$1,042,256.

Rio Grande do Norte.—Latitude, 5° to 6½° south. Principal exports, cotton and sugar. Annual amount of duties, \$69,570, and the rate may be taken about the same as in the adjoining province of Ceará.

Rio Grande do Sul.—Latitude, 27° to 32° south. Principal exports, hides, hair, wool, tobacco, and matte-tea. Annual amount of duties, \$406,792.

Santa Catharina.—Latitude, 26° to 29° south. Considered a remarkably salubrious province. Principal exports, mandioca, cotton, maize, rice and beans. Annual amount of duties, \$51,911.

San Paulo.—Latitude, 20° to 24° south. Province of the most diversified agriculture. Principal exports, coffee, cotton, and wool. There is an "additional" duty of 80 reis, say, 4 cents, per bag of coffee. On all other articles 4 per cent. and 20 per cent. "additional." Annual amount of duties, \$692,246.

Sergipe.—Latitude, 10° to 11½° south. Principal exports, cotton and sugar. In addition to the duties stated in the table, the following are collected for hospitals: 1 cent on each bag of sugar, 1 "real" on each kilogram of cotton, 1 cent on each hide, and 34 cents on each pipe of spirits. Annual amount of duties, \$195,966.

C. C. ANDREWS,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Rio de Janeiro, August 31, 1883.

Table showing the rate per cent. of duties, ad valorem, levied upon exports by the Imperial Government and by the separate provinces of Brazil.

Articles.	Provinces.												
	Imperial.	Alagoas.	Amazona.	Bahia.	Ceará.	Goyas.	Grão Pará.	Maranhão.	Mato Grosso.	Parahyba.	Paraná.	Pernambuco.	Rio de Janeiro.
Annatto	5			5				5					
Arrow-root		4						5					
Balsam copaiba	5		11	5			8	5					
Beans		4	11	5		5	3	5					
Bird-skins													
Bones		4					3		10				
Brasil nuts	9		11	5	7		7	5					
Brasil wood	9	30		9		5	5						
Cacao	9		8	9	7	5		5					
Catamarans		30											
Cocoanuts	5			5									
Coffee	7			7	7	5				4			
Cotton	5	6		7	5	5	3	5	3		5	10	17
Cumaraí							7						
Deer-skins	5		11	5				5					
Diamonds	1												
Earthenware				5									
Flour of mandioca	5	4		5		5		5	5				
Gold	2½			2½									
Grindstones		4											
Guarana	5		8				5						
Gums				9			8	5	5				
Hair	9			5	7			5	10				
Hides	9	6	11	5	7	5	8	5	10			4	20
Hides with hair				9									
Honey	5	4		5			3						
Horns	5	4	11	5				5					
Ipeacuanha				5				5	10				
Isinglass	5		11	5				5					
Leather		6		5									
Lumber	9	30		9		5	5	5	5		10		
Matte (Herva) tea	7			5	7	5		5				4	
Maize		4		5		5		5	5				
Mate		4		5			3						
Meat				5									
Molasses	5	4		5							5		8
Oakum	5			5									
Oil	5	4		5			3	5					
Peanuts								5					
Peruvian bark	5			5		5		5					
Piassava	9	4	11	9	7		5	5					
Rice		4		5		5	3	5					
Rosewood	5			9		5							
Rubber	9	4	12		7	5	13	5					
Sarsaparilla	5		11	5		5	8						
Silver	2½												
Spirit	9			9	7		5	5			5		8
Sugar	5	4		5	7	5	3	4			8	2½	2
Taploca	5			5				5					
Tobacco, and its manufactures	9	4		9	7	5	3	5	5				
Tallow					7				10				
Vanilla	5		11	5			5						
Wool	7			5	5	5			5				

EXPORT DUTIES IN PERNAMBUCO.

Under date of July 17, 1884, Consul Atherton transmits a statement showing the export duties and tonnage dues for that province for the year ending June 30, 1885. Cotton, 2 per cent.; sugar, 3 per cent.; alcohol, 8 per cent.; hides, 10 per cent. Tonnage dues 8 cents per ton, one-half charged if the vessel enters the port twice in thirty days.

EXPORT DUTIES OF SWITZERLAND.

REPORT BY CONSUL-GENERAL CRAMER.

Referring to your circular dispatch of the 15th of February last, requesting a table or schedule of all export duties levied on the productions of foreign countries in Switzerland, I have now the honor to inform you that, having applied to the high federal council for the desired statistical information, said council gladly complied with my request by sending to this legation a table in French, relative to such export duties, a copy of which, with a translation thereof, is herewith inclosed.

M. J. CRAMER.

CONSULATE-GENERAL OF THE UNITED STATES,
Berne, March 28, 1883.

Duty on exports.

Articles.	Duty on exports.
	<i>Francs.</i>
Horses.....each.....	1. 50
Mules and mulets.....do.....	1. 50
Asses.....do.....	50
Colts.....do.....	50
Horned cattle and calves, weighing more than 40 kilograms.....do.....	50
Calves, weighing only 40 kilograms.....do.....	05
Hogs:	
Weighing more than 40 kilograms.....do.....	50
Weighing only 40 kilograms; pigs.....do.....	05
Sheep and lambs.....do.....	05
Goats and kids.....do.....	05
Strange animals which are not transported in cars or wagons.....do.....	1. 50
Wood for burning and charcoal.....ad valorem.....	2 per cent.
Wood, sawed and out; wood for construction; for cartwrights' work; for carpenters; rough hewed and joined.....ad valorem.....	2 per cent.
Wood, coarse or easily cut, square in parts, but not in its whole length; ordinary floating wood or rafts.....ad valorem.....	3 per cent.
Asphalt.....per collier.....	15
Trees or shrubs in pots or tubs.....do.....	15
Common articles made of wood, such as rakes, forks, poles, &c.....per kilogram.....	15
Lime and plaster of Paris, coarse, calcined, or ground; lime hydraulics.....do.....	15
Basket trade, coarse.....do.....	15
Slate, dressed stones, grindstones, and whetstones.....do.....	15
Stones, sawed in blocks.....do.....	15
Clay and chalk.....do.....	15
Ordinary earthenware.....do.....	15
Tiles and bricks.....do.....	15
Grapes, fresh, for table use.....do.....	15
Wine-grapes (140 kilograms are calculated as 100 kilograms wine).....per collier.....	30
Wine, cider, beer, in casks.....per kilogram.....	30
Mastich of pitch.....do.....	30
Iron ore.....do.....	30
Salt (for the kitchen and for beasts).....do.....	30
Peat and turf.....do.....	30
Foreign animals imported in cars (menagerie).....do.....	1. 50
Clean wastes of materials from which paper is manufactured; old cords and cables; linen, hemp, and cotton rags.....per kilogram.....	4. 00
Hides, coarse, wet, and dry.....do.....	1. 00
Merchandise and diverse objects, not mentioned on the tariff of exports.....do.....	20

EXPORT DUTIES OF SPAIN.*REPORT BY CONSUL OPPENHEIM.*

I received on the 19th instant a circular letter from the State Department dated February 15, 1883; said circular calls for a table or schedule of all export duties levied in Spain, and in pursuance to its directions I herewith inclose a statement containing the information required.

Statement showing duties levied upon exports from Spain to foreign countries.

Articles.	Duty when exported to—	
	Countries having no commercial treaty with Spain.	Countries having a commercial treaty with Spain.
	<i>Pescetas.</i>	<i>Pescetas.</i>
1. Corkwood when it is the product of the province of Girona, per 100 kilograms	5. 00	4. 90
2. Bags, of linen, cotton, or hemp, also old clothing or other articles made of these materials..... per 100 kilograms	4. 00	4. 00
3. Galena..... do	1. 25	1. 25
Whilst the convention with France is in force, when exported to countries having a commercial treaty with Spain..... per 100 kilograms		Free.
4. Argentiferous lead..... do	1. 00	0. 98
Whilst the convention with France is in force, when exported to countries having a commercial treaty with Spain..... per 100 kilograms		Free.
5. Argentiferous litharge..... do	1. 50	1. 45
Whilst the convention with France is in force, when exported to countries having a commercial treaty with Spain..... per 100 kilograms		Free.

NOTE.—Argentiferous lead and argentiferous litharge are only subject to above duties if they contain more than thirty grams of silver in every hundred kilograms; otherwise they are free.

ERNEST L. OPPENHEIM, *Consul.*

UNITED STATES CONSULATE,
Cadiz, March 21, 1883.

EXPORT DUTIES IN PORTUGAL.*REPORT BY MINISTER FRANÇOIS.*

I have the honor to acknowledge the receipt of Department circular, dated February 15, 1883, requesting a "table or schedule of all export duties levied in Portugal," &c.

I inclose herewith the schedule requested. It will be observed that the export duties of Portugal are light. In the year 1880, the latest detailed returns being for that year, there was collected on account of export duty on cattle and other living animals \$40,222; cork-wood, \$41,918; wine, \$60,807; vegetable productions, \$25,693. Other articles named in the schedule paid smaller amounts.

The customs returns for the year 1881 and 1882 (ending December 31) present the following aggregates:

Importations: *	
1881	\$38, 675, 332
1882	39, 297, 860
Export values: †	
1881	22, 252, 030
1882	26, 725, 261

* For consumption.

† National produce of continent and adjacent islands.

Importations:

1881	\$11,635,659
1882	12,793,092

Export duties:

1881	461,701
1882	525,545

It will be seen that there was a considerable increase of values, and augmentation of duties collected, in 1882 over the preceding year.

The value of wine exported from Portugal in 1882 is set down at \$10,177,148, being about 40 per cent. in value of the entire exportations of the country. The exportation of wine to France has largely increased since the appearance of the phylloxera in the vineyards of the Bordeaux district. The importation of Portuguese wine to France in 1876 was 61,000 hectoliters. During the first nine months of 1881, as reported by the Portuguese consul at Bordeaux, it was 171,292 hectoliters. It is alleged that this wine is prepared or "doctored" for that purpose, and sent into the markets of the world as the genuine French article. It is suggested that wine purchased secretly from manufacturers or dealers in Portugal would assure a purer article at prices considerably less than the cost of the French preparation from the same wine.

The value of cork-wood exported from Portugal in 1881 was \$2,164,152, of which \$502,764 worth was shipped to the United States, England only leading us in the purchase of this article. The cork-wood exportations of 1882 were of the value of \$2,631,820.

The other largest exports for the year 1882 were cattle and other living animals, \$2,944,751; ores, chiefly copper, \$1,695,280; vegetable productions, \$1,949,985; and fish, \$469,800.

JOHN M. FRANCIS.

LEGATION OF THE UNITED STATES,
Lisbon, March 24, 1883.

Table of duties levied on merchandise exported from the Portuguese Kingdom.

On foreign merchandise which has been deposited in the custom-house, 1½ per cent. ad valorem.

On merchandise of Portuguese origin, with the exception of such articles as are mentioned in the following table, 1 to 1½ per cent.

Grain (cereals of all kinds), free.

Corks, manufactured ready for use, free.

Product of national mines, free.

	Reis.
Oxen.....per head..	1500
Swine.....do...	300
Sheep and goats.....do...	50
Oysters.....per cubic meter..	360
Hides, for tanning.....per kilogram..	30
Bark, for tanning.....do...	2
Cork, vigin and scraps.....per 15 kilograms..	5
Cork, rough or in shreds.....do...	30
Cork.....do...	100
Rags.....per kilogram..	30
Broken glass.....do...	25
Gold coin in bars, and unmanufactured.....do...	5000
Silver coin in bars, and unmanufactured.....do...	500
Wine*.....per decaliter..	7
Beer, cider, and hydromel.....do...	7
Angelica, brandy, and all distilled liquors.....do...	14
Vinegar.....do...	3½

* Wine pays an additional duty, as follows: On every 5¼ liters exported by land, 2 per cent. ad valorem on an assumed value of 30 millreis; on every 5¼ liters exported by sea, 2 per cent. ad valorem on an assumed value of 40 millreis, and 100 millreis on those which have passed the octroi barriers of Porto. Wine produced in Madeira, shipped to Portuguese ports, pays 1,800 reis on every 390 liters, and on that shipped to foreign countries, 4,800 reis on every 390 liters.

EXPORT DUTIES OF CANADA.*REPORT BY CONSUL-GENERAL STEARNS.*

I have the honor to state in reply to your circular under date of February 15, 1883, requesting a list of export duties, that I am informed by the collector of customs at this port that the following is a list of the export duties levied by the Government of Canada, and the articles upon which they are levied:

Single bolts, per cord, 128 cubic feet, \$1.

Spruce logs, per M feet, \$1.

Pine logs, per M feet, \$1.

SEARGENT P. STEARNS,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Montreal, April 5, 1883.

EXPORT DUTIES OF HAYTI.*[Translated by Consul-General Langston.]*

Mahogany	per M feet..	\$3 00
Fustic or yellow wood	do.....	1 00
Guaiaac	per 1,000 pounds..	10
Logwood*	do.....	1 50
Dyewoods of every sort (except logwood)	do.....	1 00
Cocoa	per 100 pounds..	1 50
Coffee	do.....	2 50
Cotton	do.....	10
Hides	per pound..	02
Wax	per 10 pounds..	50
Tortoise-shell	per pound..	02
Pith, in fiber	per 1,000 pounds..	3 00
Honey	per gallon..	04

EXPORT DUTIES OF INDIA.*REPORT BY CONSUL MATTSON.*

In reply to circular dated February 15, 1883, asking for information relating to export duties, I have the honor to report that the only export duty levied in India on its domestic productions is the following:

Rice, whether husked or unhusked, per Indian maund of 82½ pounds avoirdupois weight, 3 annas (7 $\frac{5}{8}$ cents).

H. MATTSON,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Calcutta, April 6, 1883.

* Thus modified by law of December 15, 1880.

† Thus modified by law of October 6, 1881, to take effect January 1, 1882.

NOTES.

American trade in Madagascar.—Consul Robinson, of Tamatave, under date of June 30, 1884, gives the following information in regard to American trade in Madagascar:

The political situation remains nearly the same as at the date of my last upon this subject. The blockade of Mahanoroo and Fenowrivo by French steamers is still maintained; communication and trade with the interior also maintain about the same, but through other channels, the traders having changed their posts to other points on the coast, some of them at a distance of only one to three hours by steam, from the blockaded ports. This the French commandant knows, of course, as in several cases the goods sent have first come here and paid duties, and then reshipped in coasters and cleared for these points near the blockaded ports. In other cases, vessels have come here and discharged a portion of cargoes destined for this port, and then cleared for some one of the points above mentioned; of course without payment of duties on the portions taken away. But when such cargoes, or portions of cargoes, are reshipped in coasters in this port, the duties are exacted.

The war, which has now existed over a year, has driven out all French traders and other French residents, and has more than half destroyed the business of all the foreigners here of other nationalities. * * *

Of the little trade which has remained since the French occupation, and which still remains, more than half is in American cottons. Even the English traders, in order to do business at all, have been obliged to deal in these goods, and have bought of the American wholesale houses here and sent to their various posts on the coast and to the capital. In this way the Americans are obliged to forego a goodly share of the profits, for want of coasting vessels, posts, and agents on the coast.

Imports and exports of Finland.—The following statement from Acting Consul Domer, of Helsingfors, are the first statements which have been received from consular sources showing the foreign trade of Finland:

IMPORTS.

Articles.	1883.	1882.
Cotton..... tons..	2, 988	2, 446
Spirit of different kinds, in casks..... do.....	541	534
Spirit of different kinds, in bottles..... bottles..	18, 321	19, 052
Fish, fresh, dried, and smoked..... tons..	522	558
Fish, salted..... do.....	3, 176	3, 242
Hides..... do.....	1, 254	927
Iron and steel..... do.....	17, 090	25, 890
Coffee..... do.....	4, 307	4, 524
Machinery..... value in Finnish marks..	1, 524, 048	1, 526, 420
Petroleum and other oil..... tons..	5, 972	4, 685
Salt..... casks..	321, 653	311, 452
Sugar..... tons..	8, 780	8, 657
Flour..... do.....	57, 948	77, 163
Grain..... quarters..	102, 000	100, 000
Pig-Iron..... tons..	19, 680	12, 674
Tobacco..... do.....	1, 797	4, 557
Wine, in casks..... do.....	1, 150	1, 563
Wine, in bottles..... pieces..	59, 989	71, 626
Manufactured cloth goods..... tons..	909	900

EXPORTS.

Articles.		1882.	1882.
Bark	Tons..	1,520	2,654
Fish, fresh, dried, and smoked	do.	1,641	1,325
Fish, salted	do.	2,868	2,704
Pork and beef	do.	809	1,089
Yarn	do.	78	112
Glass, manufactured	do.	1,834	1,809
Hides	do.	338	442
Iron and steel	do.	22,094	19,813
Cattle	pieces..	37,735	38,217
Candles	tons..	4	1
Paper	do.	11,802	8,590
Grain	quarters..	117,852	51,500
Flour	tons..	879	400
Tar	casks..	122,706	127,920
Deals and timber	stand.	331,172	330,637
Matches	boxes..	263,000	320,000
Fire-wood	fathoms..	198,011	185,065
Manufactured cloth	tons..	1,772	1,845

Imports at Havre from the United States.—Under date of June 30, 1884, Consul Glover supplies the following statement of direct imports into the port of Havre from the United States during the quarter ending June 30, 1884:

Agricultural machinery	{ packages	5,372
	{ cases	143
Apples (dried)	{ barrels	2,764
	{ cases	50
Bark	{ sacks	4,024
	{ bales	3
Beef	{ barrels	150
	{ cases	69
Blacking	{ casks	5
Bones	{ cases	100
	{ sacks	183
	{ cases	20
Bristles	{ packages	18
	{ casks	10
	{ barrels	48
Cacao	{ sacks	2,138
Chalk (white)	{ barrels	25
Cheese	{ cases	15
Coffee	{ sacks	18,014
Combustibles	{ barrels	3
	{ do	697
Copper	{ sacks	6,729
	{ casks	97
	{ sacks	175
Corn	{ part cargoes	3
Cotton	{ bales	77,936
Cotton flour	{ sacks	1,120
Cotton oil	{ barrels	25
Cotton seed	{ sacks	531
Divers	{ packages	3,834
	{ bales	60
	{ cases	31
Feathers	{ packages	19
	{ sacks	10
	{ barrels	7
Fish	{ barrel	1
	{ cases	25
Fish eggs	{ barrels	377
	{ packages	160
Fruits (preserved)	{ cases	15
Goat-skins	{ bales	92
Gold	{ cases	2
	{ packages	17

Grain	sacks	101
Grease	tierces	385
Hams	do	5
Hides (dried)	bales	4
	packages	450
Horns	sacks	1,498
	case	1
Horsehair	bales	50
Indigo	packages	77
Iron	cases	50
	tierces	6,245
	tubs	7,896
Lard	hogsheads	125
	barrels	1,400
	packages	50
	barrels	715
Lard oil	tierces	25
Lobsters	cases	2,078
Machinery	packages	1,147
Meats (preserved)	cases	984
Mineral tar	barrels	250
Molasses	do	360
Naphtha	do	5,525
Nuts	cases	2
Oars	number	1,684
	packages	16
Oats	sacks	10,986
Oil	barrels	1,892
	cases	670
Oil (essential)	do	40
Oil (mineral)	barrels	2,280
Pepper	sacks	97
Petroleum	barrels	52,944
Phosphate	part cargo	1
Pitchforks	packages	2,820
Potash	barrels	799
Pulp	packages	100
	tierces	30
Rice	barrels	2
Rice root	bales	30
Roots	packages	3
	cases	2
Rubber	do	19
	packages	9
Sreens	cases	14
Sewing-machines	do	130
Sheep-skins	bales	23
Shells	sacks	332
	barrel	1
Silver	bars	151
	packages	4,575
Skins (salted)	bales	14
	skins	1,524
Sponges	bales	137
Staves	number	102,380
	hogsheads	434
Tallow	casks	105
	tierces	273
	hogsheads	765
Tobacco	cases	22
Vanilla	do	21
Vaseline	do	9
Wax	barrels	20
Whalebone	packages	32
	barrels	28
Whale oil	casks	35
Wheat	sacks	244,089
Whisky	barrel	1
Wine	casks	35
	case	1

	{	pieces	5,508
		logs	930
Wood		cargoes	3
		stumps	69
		packages	580
Wool		cases	2

Imports from the United States into Cape Haytien (quarter ending March 31, 1884).—Apples, 6 barrels; axes, 2 dozen; alewives, 978 barrels and 79 half barrels; salt beef, 2 barrels and 5 half barrels; ginger beer, in one-half bottles, 105 dozen; beets, 8 barrels; blacking, 12 gross; boards, 92,470 feet; butter, 16,880 pounds; biscuits, 5,516 pounds; tallow candles, 5,130 pounds; codfish, 412,200 pounds; cotton goods, 133,387 yards; cheese, 3,697 pounds; chairs, 7 dozen; rocking-chairs, 1 dozen; cement, 10 barrels; blue drilling, 213,760 yards; denims, 117,735 yards; drugs and medicines, 47 cases; duck, 7,150 yards; colored drilling, 4,000 yards; garden engine, 1; furniture, 16 sets; flour, 5,308 barrels, 1,330 half barrels, and 1,270 quarter barrels; drinking glasses, 19 dozen; hams, 4,332 pounds; hatchets, 3 dozen; hay, 57 half bales; smoked herrings, 5,160 boxes; iron chests, 2; iron in bars, 1,693 pounds; iron axle-trees, 12; field knives, 10 dozen; lard, 41,860 pounds; mackerel, 523 barrels and 42 half barrels; preserved meats, 9 dozen cans; nails, 50 kegs; oats, 45 barrels; kerosene oil, 12,600 gallons; linseed oil, 160 gallons; oakum, 13 bales; onions, 53 barrels; potatoes, 31 barrels; pork, 1,530 barrels and 15 half barrels; pails, 73 dozen; paint, 102 kegs; pitch, 8 barrels; black pepper, 750 pounds; prints for dresses, 254,400 yards; raisins, 155 quarter boxes; rice, 5,635 pounds; soap, 18,370 boxes; shoes, 271 dozen; white sugar, 41,385 pounds; shingles, 308,150; scantlings, 174,210 feet; sewing-machines, 25; spirits of turpentine, 10 gallons; tar, 15 barrels; tobacco, 1,550 pounds; trunks, 55 nests; tubs, 48 nests; tongues, 1 barrel and 2 half barrels; Florida water, 27 dozen; wheels, 2 pairs; zinc, in sheets, 1,546 pounds—the whole amounting to \$183,698.32; specie, \$10,000; total, \$193,698.32.

American arms in Siam.—Under date of April 15, 1884, the minister resident and consul-general of the United States at Bangkok reports that the King has signified his intention of bestowing the *Buspa Mala*, or medal of merit, on the Winchester Arms Company of New Haven, Conn.

Corean exports.—Under date of June 3, 1884, Minister Foote reports that the products of Corea which are most likely to become articles of immediate export are: Raw silk, waste silk, gold dust, hides, horns, hoofs, and tallow; tobacco, gall-nuts, rags, paper-stock (grass fiber), honey and beeswax, awabi shells, furs and skins, feathers, human hair, beans, wheat, barley, rice, rape-seed, fish oil, and hemp.

Fruit-growing in Central China.—Under date of May 26, 1884, Consul Smithers, of Chin-Kiang, sends the following report in answer to the circular of December 3, 1883:

There is very little fruit of any kind grown in Central China. The grape, orange, lemon, olive, and fig are not cultivated, owing to the unsuitableness of the climate. During the spring and early summer months the rainfall is so great as to seriously interfere with the ripening of fruit; this is especially the case with the grape, which milderws before coming to perfection.

The peach and plum are cultivated to some extent, but the quality of the fruit is mostly inferior.

A very fine variety of peach is grown in this section, and finds a ready sale in the market of Shanghai. It is a seedling, and resembles in shape the tomato. With a view of its introduction into the United States, I propose to forward a quantity of * a seed to the Commissioner of Agriculture.

Coal deposits in Venezuela.—Consul Bird, under date of November 6, 1883, informs the War Department that there is located about six miles south of the port of Barcelona a large deposit of bituminous coal of very good quality, though it is practically undeveloped. A Mr. De Lort, at the head of a company formed in France, has obtained a concession from the Government of Venezuela to build a railway from Barcelona to this coal bed and to mine and transport it to the coast. As yet little has been done except the arrangement of preliminaries, and it is difficult to say when actual mining will be commenced. Directly upon the banks of the river Utare, a small stream that empties into the sea at a point forty miles east of Laguayra, and about two miles from its mouth, is found another deposit of bituminous coal that is reported to be of superior quality and great extent, though it also lies untouched and no effort is being made to develop it. These are the only deposits of coal within this consular district.

Fishing in Jalisco, Mexico.—Consul Lambert, of San Blas, transmits the following account of the peculiar mode of fishing at that place:

The novel method before referred to for catching fish in this vicinity may not be instructive, but it will doubtless prove interesting. There is a small shrub growing wild here called "varbasco." The native fishermen procure the fibrous root of this shrub, and after mangling it well place it in the bottoms of their canoes. At high tide they proceed to the mouths of the esteros, and drive down a wicker fence. They then partly fill their canoes with water, which produces an intensely white liquid from contact with the root. Arriving at the source of the estero, or some shoal place beyond which the fish are not likely to go, they throw this preparation broadcast into the water, which also turns white. The effect is that the fish become blinded, and in a very short time, upon the return of the boat, they are found floating on the surface of the water at the fence erected at the mouth of the estero. The larger ones are then gathered into the boat and taken to market.

Another method, more fatal, but performed less frequent, is in the use of the milk of the "ava" tree. This tree yields, when tapped, a white liquid very much resembling the juice of the India-rubber tree. It is used similarly to the varbasco, and blinds as well as kills the fish instantly. Fish killed by the "lache de ava" have to be used immediately. In neither case is there any visible sign of how they are killed.

There is a law in existence against the use of poisons in procuring fish for market, but it is practically inoperative and void, for the reason that there is no defined method for determining the death of fishes by those liquids; and, besides, the natives who bring them take good care that each fish shows a spear-hole in his back before arrival.

In the absence of any method of detection, the spear-hole is *prima facie* evidence that they were not poisoned. No bad effects from eating fish killed in this way appear to be known so far as I can ascertain.

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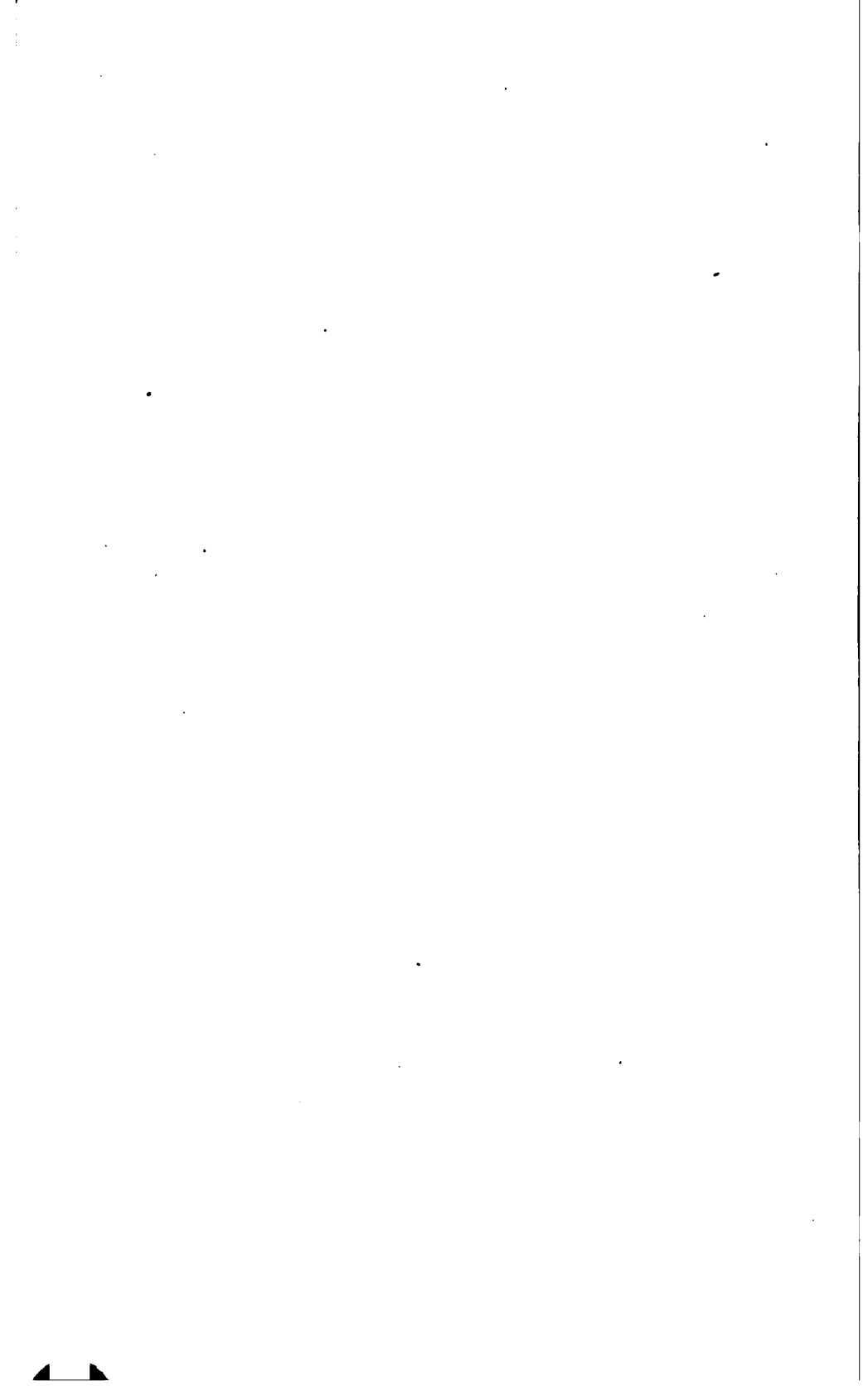
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UNITED STATES CONSULAR REPORTS.

REPORTS

FROM THE

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ON THE

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the 1990s, the number of people in the world who are under 15 years of age has increased from 1.1 billion to 1.5 billion, and the number of people aged 65 and over has increased from 0.2 billion to 0.5 billion (United Nations 1999).

There is a growing awareness that the needs of children and young people are different from those of adults, and that the needs of children and young people are different from those of older people. This has led to the development of a range of policies and programmes aimed at addressing the needs of children and young people, and at addressing the needs of older people.

One of the main reasons for the development of these policies and programmes is the fact that children and young people are a vulnerable group in society. They are often the victims of abuse, neglect, and exploitation, and they are often the victims of discrimination. Older people are also a vulnerable group in society, and they are often the victims of abuse, neglect, and exploitation, and they are often the victims of discrimination.

Another reason for the development of these policies and programmes is the fact that children and young people are a rapidly growing group in society. The number of children and young people in the world is increasing rapidly, and this is leading to a growing demand for services and resources for children and young people. Older people are also a rapidly growing group in society, and this is leading to a growing demand for services and resources for older people.

One of the main challenges facing society is how to meet the needs of children and young people, and how to meet the needs of older people. This is a challenge that requires a range of policies and programmes, and it requires a range of resources. It is a challenge that requires the attention of governments, businesses, and the public.

One of the main ways in which society can meet the needs of children and young people, and how to meet the needs of older people, is by providing them with a range of services and resources. This includes providing them with education, health care, and social services. It also includes providing them with a range of opportunities for recreation and leisure.

Another way in which society can meet the needs of children and young people, and how to meet the needs of older people, is by providing them with a range of opportunities for participation in decision-making. This includes providing them with opportunities to participate in the development of policies and programmes, and it includes providing them with opportunities to participate in the implementation of policies and programmes.

One of the main reasons why it is important to provide children and young people, and older people, with a range of services and resources, and with a range of opportunities for participation in decision-making, is that it helps to ensure that they are able to lead a full and active life. It helps to ensure that they are able to participate in the life of their community, and it helps to ensure that they are able to contribute to the life of their community.

